ANNUAL REPORT

OF THE

Indian Merchants' Chamber and Bureau

FOR THE YEAR

19[illegible]20

(Presented to the Annual General Meeting held on the 2nd October 1920.)

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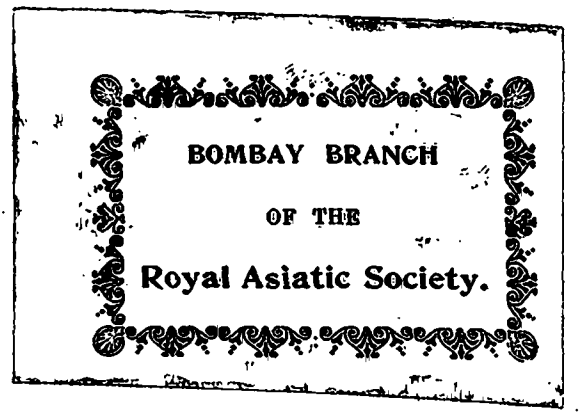
Printed by:

RAJARAM PITAMBER TRACKER, at the "Lady Northcote Hindu Orphanage, K. N. Sailor Press, No. 93, Chinchpokli, Parel Road, Bombay.

Published by:

Mr. J. K. MEHTA, Secretary; the "Indian Merchants' Chamber and Bureau Old Telephone Buildings, 19, Bank Street, Bombay.



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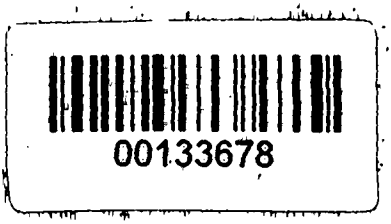
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Serial No.	Representatives of Members.	Members.
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5	,, Sorabji Rustomji Master	(Messrs. Dinshaw D. Karani & Co.)
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11	,, Kalianji Lalji	(Messrs. Valji Shamji & Co.)
12	,, Vallabhdas Chaturbhuj Shivji	(Messrs. Chaturbhuj Shivji & Co.)
13	,, Premchand Zaverchand	(Messrs. Chunilal Sakalchand & Co.)
14	,, Mulji Karsandas	(Messrs. Mulji Karsandas & Co.)
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16	,, Lalji Govindji	(Messrs. Bhukhandas Govindji & Co.)
17	,, Dwarkadas Ravji Naranji	(Messrs. Ravjibhai Naranji & Co.)
18	,, Vasanji Naranji	(Messrs. Matubhai Vassanji & Co.)
19	,, Mathuradas Haridas	(Messrs. Damodar Haridas & Co.)

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35 „ Kalianji Mavji (Messrs. Chhotalal Mulchand & Co.)
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38 „ Vassanji Mulji Damodar (Messrs. Mulji Damodar & Co.)
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227 ,, Bhimji Jairaj Makanji (Messrs. Bhimji Jairaj & Co.)

228 ,, Ramchandra M. Bhatt (Mr. Ramchandra M. Bhatt.)

229 ,, Laxmidas Devji (Messrs. Jetha Devji & Co.)

230 ,, Dhanraj M. Parekh (Messrs. Jassoji & Sons.)

231 ,, Jamnadas Dwarkadas Dharamsey (Mr. Jamnadas Dwarkadas Dharamsey.)

232 ,, Jivandas Pitambar (Mr. Jivandas Pitambar.)

233 ,, Jagjivandas Narayan Mehta (Mr. Jagjivandas Narayan Mehta.)

234 ,, Bhailal Dajibhai Amin (Messrs. The Alembic Chemical Works Co., Ltd.)

235 ,, Vishvanath P. Vaidya (Sir Shree Waghji Wadhwan Camp Mfg. Co., Ltd.)

236 ,, Jamnalal Bachhraj (Mr. Jamnalal Bachhraj.)

237 ,, B. A. Billimoria (Messrs. Batliwala and Karani.)

238 ,, Mohmad Hussein Dehdasti (Mr. Mohmad Hussein Dehdasti.)

239 ,, Manu Subedar (Mr. Manu Subedar.)

240 ,, Maneklal Manilal Ranchhoddas Parikh (Mr. Maneklal Manilal Ranchhoddas Parikh.)

241 ,, Chandulal R. Yagnik (Messrs. Dolatram Kasiram & Co.)

242 ,, Ismail A. H. Moosa (Mr. Ismail A. H. Moosa.)

243 Mr. Jamnads Vassanji Manji (Mr. Jamnadas Vassanji Manji.)

244 ,, Khimji Raghnath Bhimji (Messrs. Gordhandas Bhimji & Co.)

245 ,, Maneklal Chunilal Shroff (Mr. Maneklal Chunilal Shroff.)

246 ,, Padamsey Narsibhai (Mr. Padamsey Narsibhai.)

247 ,, K. B. Mohamedalli Abdulkadar (Messrs. Taher & Co.)

248 ,, Phiroz J. Billimoria (Messrs. The Indian Cement Co. Ltd.)

249 ,, Chimanlal Jivanlal Chinoy (Messrs. Desai Chinoy & Co.)

250 ,, M. A. J. Noble (Mr. M. A. J. Noble.)

251 ,, Padamsey Narsibhai (Messrs. The Indian Peninsular Steam Navigation Co., Ltd.)

252 ,, Vallabhdas Meghji (Messrs. Kakubhai Narandas & Co.)

253 ,, Jayavant Shantaram Divedkar (Messrs. Narayan Dhondiba & Co.)

254 ,, Surji Vallabhdas (Messrs. Surji Vallabhdas & Co.)

255 ,, Premji Vashram (Messrs. Chatrabhuj Govindji & Co.)

256 ,, Laxmichand M. Dosi (Messrs. Laxmichand Padamsey & Co.)

257 ,, Mansukhlal Ravjibhai Mehta (Messrs. Chhaganlal Mansukhlal & Co.)

258 ,, Rameshvardas Birla (Messrs. Shivnarayan Baldevdas & Co.)

259 ,, Ibrahim Gullamalli (Messrs. Gullamalli Gulamhusein & Co.)

260 ,, Sarabhai Vadilal Zaveri (Messrs. Chamanlal Sarabhai Zaveri.)

261 ,, Jehangir H. L. Batlivala (Managing Director, Dr. H. L. Batliwala Sons & Co.)

262 ,, Karsandas Thackersey Ravji (Mr. Karsandas Thackersey Ravji.)

263 ,, Jwaladat R. Pilani (Mr. Jwaladat R. Pilani.)

264 ,, A. S. Doraiswamy (Messrs. S. A. V. Arungeri Chetty & Co.)

265 Mr. Narsidas Jekisandas Gangadas (Mr. Narsidas Jekisandas Gangadas.)
266 ,, Karmalli Sabjalli (Messrs. Kassam Karmalli & Co.)
267 ,, Framji Palanji Talati (Messrs. Framji Palanji Talati & Co.)
268 ,, B. B. Morris (Messrs. Bradford & Co.)
269 ,, Mayashanker M. Bhatt (Messrs. Mayashanker Thakkar & Co.)
270 ,, Vallabhdas Payal (Messrs. Dungershi Shamji Joshi & Co.)
271 ,, Harnandrai Ramnarayan (Mr. Harnandrai Ramnarayan.)
272 ,, Hormasji Bapuji Gazdar (Mr. Hormasji Bapuji Gazdar.)
273 ,, Mohanlal Hemchand Zaveri (Mr. Mohanlal Hemchand Zaveri.)
274 ,, T. M. Rangachari (Mr. T. M. Rangachari.)
275 ,, Valchand Hirachand (Mr. Valchand Hirachand.)
276 ,, K. D. Zaveri (Messrs. Walmer & Co.)
277 ,, S. C. Banerji (Messrs. Pathak Walchand Ltd.)
278 ,, Ambalal Sárabhai (Mr. Ambalal Sarabhai.)
279 ,, Mansukhlal Atmaram Master (Mr. Mansukhlal Atmaram Master.)
280 ,, Ranchhoddas Bhawan (Messrs. Bhawan Jivraj & Co.)
281 ,, Damodar Govindji Madhavji (Messrs. Govindji Madhavji & Co.)
282 ,, H. A. M. Anik (Messrs. H. Anik & Co.)
283 ,, Hiralal M. Shah (Mr. Hiralal M. Shah.)
284 ,, Nanabhai Tullockchand (Mr. Nanabhai Tullockchand.)
285 ,, Bhagwandas Gordhandas (Mr. Bhagwandas Gordhandas.)
286 ,, Mathuradas Kanji Matani (Messrs. The Bombay Rice Merchants' Association.)
287 ,, Madhavlal Makanji (Messrs. Keshavlal Brothers.)
288 ,, Chamanlal Popatlal Mehta (Messrs. C. K. Vohora & Co.)
289 ,, Haridas Madhavdas (Messrs. Haridas Madhavdas Amersey & Amersey Damodar & Co.)

290 Mr. Kekhusru Manekji Cooper (Mr. Kekhusru Manekji Cooper.)
291 ,, Fazul Ibrahim Rahimtulla (Messrs. Fazulbhoy Ibrahim & Co.)
292 ,, Mangaldas Prahladbhai (Messrs. Prahladbhai Dolatram & Co.)
293 ,, M. B. Mehta (Messrs. M. B. Mehta & Co.)
294 ,, D. G. Banker (Mr. D. G. Banker.)
295 ,, Manilal Jugaldas (Mr. Manilal Jugaldas.)
296 ,, Hargovind Ambaram Jani (Messrs. Vithal Ambaram Jani & Co.)
297 ,, Shivlal Nimji Mehta (Messrs. Hargovind Shivlal & Co.)
298 ,, A. G. Somia (Messrs. M. Somia & Co.)
299 ,, Narandas Kesoordas (Messrs. Lalji Godhoo & Co.)
300 ,, Mr. Manilal Balabhai (Messrs. Manilal Balabhai & Co.)
301 ,, B. F. Madan (Mr. B. F. Madan.)
302 ,, H. J. Hormasji (Messrs. H. J. Hormasji & Sons.)
303 ,, B. C. Sethna (Messrs. Cursetji Bomanji & Co.)
304 ,, Mathuradas Tricumdas (Messrs. Mathuradas V. Kothare & Co.)
305 ,, Sultan I. Janmohmad (Mr. Sultan I. Janmohmad.)
306 ,, Santidas Ashkaran (Mr. Santidas Ashkaran)
307 ,, Padamsey Mulji (Messrs. Jetha Mulji & Co.)
308 ,, Kanaiyalal Ranchodbhai (Messrs. Dalsukhbhai Kanaiyalal & Co.)
309 ,, Vyas Laxmishanker Narbadashanker (Mr. Vyas Laxmishanker Narbadashanker.)
310 ,, Ramkrishna Narayan Bijur (Mr. Ramkrishna Narayan Bijur.
311 ,, Ishwardas Laxmidas (Mr. Ishwardas Laxmidas.)
312 ,, N. M. Mazumdar (Mr. N. M. Mazumdar.)
313 ,, Hattim E. Attari (Messrs. Hattim Attari & Co.)
314 ,, Hussein A. Fazulbhoy (Messrs. Ahmed Hussein & Co.)
315 ,, Narsidas B. Kamdar (Messrs. H. J. Billimoria & Co.)

316 Mr. Kanji Gordhandas Toprani (Mr. Kanji Gordhandas Toprani.)
317 „ D. M. Wadia (Messrs. D. M. Wadia & Co.)
318 „ Gopaldas Tricumji Jivandas (Mr. Gopaldas Tricumji Jivandas.)
319 „ Ishwarlal Ganpatram Gajjar (Mr. Ishwarlal Ganpatram Gajjar.)
320 „ Vassanji Naranji Bhimji (Mr. Vassanji Naranji Bhimji.)
321 „ Keshavji Nanji (Messrs. Badrinarayan Gangadhar & Co.)
322 „ Rahimtulla M. Chinoy (Messrs. F. M. Chinoy & Co.)
323 „ Burjorji Cavasji Patel (Messrs. Palanji Edulji & Sons.)
324 „ Morarji Mulraj Khatau (Mr. Morarji Mulraj Khatau.)
325 „ Mulji Ranchhod Ved (Mr. Mulji Ranchhod Ved.)
326 „ Velji Lakhamshi (Messrs. Napoo Nensey & Co.)
327 „ Alimohmad R. Maklai (Messrs. K. G. A. Rehmtulla Mulji & Co.)
328 „ Jamnadas Ramdas (Messrs. Jamnadas Ramdas & Co.)
329 „ L. D. L. Buckley (Messrs. The Tata Industrial Bank, Ltd.)
330 „ Anantrao Balkrisha Kamat (Messrs. B. Sitaram & Sons, Sitaram Laxman & Sons.)
331 Hon. Mr. Balkrishna Sitaram Kamat (Messrs. B. Sitaram & Sons, Sitaram Laxman & Sons.)
332 Mr. Hakemchand Valamji Kapadia (Mr. Hakemchand Valamji Kapadia.)
333 „ J. H. Bhabha (Messrs. The Tata Hydro Electric Power Supply Co.)
334 „ Maganlal Kalyanji (Mr. Maganlal Kalyanji.)
335 „ Madhavlal Hiralal Shah (Messrs. The Asiatic Machinery Stores Co.)
336 „ Dwarkadas Jekisandas (Mr. Dwarkadas Jekisandas.)
337 „ Sitaram Keshavdayal Potdar (Messrs. Cheniram Jesraj & Co.)

338 Mr. Karmalli Ibrahim (Messrs. Kasinath D. Khote & Co.)
339 ,, Tulsidas Monji Vora (Messrs. Hansraj & Co.)
340 ,, Vallabhdas Ranchhoddas (Mr. Vallabhdas Ranchhoddas.)
341 ,, Kapilram H. Vakil (Mr. Kapilram H. Vakil.)
342 ,, K. B. Vibhakar (Messrs. Surji Godhoo & Co.)
343 ,, P. H. Chichgar. (Messrs. Pragji Surji Godhoo & Co.)
344 ,, Gangadas Mulji Gordia (Messrs. Dwarkadas Jagmohandas & Co.)
345 ,, Chandulal Jamnadas Shah (Messrs. Surji Vallabhdas & Co.)
346 ,, Gangaram Tricumdas (Messrs. Chaturbhuj Gangaram & Co.)
347 ,, C. J. Vurdhman (Messrs. Vurdhman Brothers.)
348 ,, Jagjivandas Narayan Mehta (Messrs. The Mauritious Shippers' Association.)
349 ,, Narandas V. Dossa (Mr. Narandas V. Dossa.)
350 ,, Govindji Vassanji (Mr Govindji Vassanji.)
351 ,, Somnath Rupjidas Patel (Mr. Somnath Rupjidas Patel.)
352 ,, Gordhandas Keshavlal Shah (Messrs. The Advance Trading Co.)
353 ,, Dawood Haji Nassur (Messrs. Nassur Haji Mavji & Co.)
354 ,, Narandas Assanmul (Mr. Narandas Assanmal.)
355 ,, Amrutlal Amerchand Madhavji (Messrs. Amerchand Madhavji & Co.)
356 ,, Pestonji Dorabji Panday (Messrs. The New English Press.)
357 ,, Darabshaw Bomanji Dubash (Messrs. The Central Pressing & Mfg. Co.)
358 ,, Framji Dorabji Panday (Messrs. Dadabhoy Pestonji & Co.)
359 ,, Cursetji Navroji Saher (Messrs. Pestonji Jehangirji & Co.)
360 ,, Shiraj A. Vashi (Messrs. Shiraj A. Vashi & Co.)
361 ,, Ahmadi Shiraj (Messrs. Shaikh Adam Husseinalli Vashi & Co.)

362 Mr. Laxmidas G Tejpal (Mr Laxmidas G Tejpal.)
363 ,, Morarji Premji Gokuldas (Messrs. M. P Gokuldas & Co.)
364 Hon. Mr. Abdul Rasul A. Vishram (Messrs. Alladina Vishram & Co.)
365 Mr. Morarji Anandji Tana (Mr. Morarji Anandji Tana.)
366 ,, Behram N. Karanjya (Mr. Behram N. Karanjya.)
367 ,, M. N. Gobhai (Mr. M. N Gobhai.)
368 ,, Madhavdas Goculdas Pasta (Mr. Madhavdas Goculdas Pasta.)
369 ,, H. Suleman Abdul Wahed (Mr. H. Suleman Abdul Wahed.)
370 ,, Jamnadas Morarji (Mr. Jamnadas Morarji.)
371 ,, Sarabhai Prataprai (Mr. Sarabhai Prataprai.)
372 Hon. Sir Dinshaw Manekji Petit (Hon. Sir Dinshaw Manekji Petit.)
373 Mr. Rahimtulla Currimbhai (Mr Rahimtulla Currimbhai.)
374 ,, Panachand Manchand (Mr. Panachand Manchand.)
375 ,, Madanlal Chandhri (Messrs. The Bombay Stock Exchange Ltd.)
376 ,, Madanlal Chandhri (Messrs. Juharmal Madanlal & Co.)
377 ,, Amratlal Kalidas (Mr. Amratlal Kalidas.)
378 ,, Maneklal Jethabhai (Mr. Maneklal Jethabhai.)
379 ,, Shobagchand (Messrs. Labhchand Motichand & Co.)
380 ,, Mansukhlal Chhaganlal (Mr. Mansukhlal Chhaganlal.)
381 ,, Karamchand Chunilal (Mr. Karamchand Chunilal.)
382 ,, Balkisandas Ramkisandas (Mr. Balkisandas Ramkisandas.)
383 ,, K. R. P. Shroff (Mr. K. R. P Shroff.)
384 ,, Pesi R. P. Shroff (Mr. Pesi R. P. Shroff.)
385 ,, Narandas Manordas (Mr. Narandas Manordas.)
386 ,, P. J. Panday (Messrs. C. Framji & Co.)
387 ,, Y. G Pandit (Mr. Y. G. Pandit.)
388 Lieut.-Col J. Reid Hyde (Messrs. The New India Assurance Co., Ltd.)

389 Mr. Manchershaw Sorabji Bhumgara (Messrs. The United Press of India Ltd.)
390 ,, Kanji Karsandas (Mr. Kanji Karsandas.)
391 ,, Dulerai Vanechand Desai (Messrs. Dulerai & Co.)
392 ,, Harakhchand Amulakh (Mr. Harakhchand Amulakh.)
393 ,, Pranjivan Vassanji Manji (Mr. Pranjivan Vassanji Manji.)
394 ,, Jairaj Vassanji Manji (Mr. Jairaj Vassanji Manji.)
395 ,, Punjabhai J. Vasavda (Messrs. The Bombay Swadeshi Co-operative Stores Co.)
396 ,, K. B. N. Kapadia (Messrs. The Indian Steel Wire Products, Ltd.)
397 ,, Harjivandas Jagjivandas (Messrs. Harjivandas Jagjivandas & Co.)
398 ,, Morarji Vassanji Manji (Messrs. The New Kaishr-i-Hind Sp. & W. Co., Ltd)
399 ,, Vithaldas Bhagwandas (Messrs. Vithaldas Bhagwandas & Co.)
400 ,, Maganbhai P. Amin (Messrs. Maganbhai Amin & Co.)
401 ,, Popatbhai Lalji (Messrs. Chapsey Bhara & Co.)
402 ,, Maganlal Purshottamdas (Messrs. Purshottam Pranvallabh & Co.)
403 ,, Bhagwandas Madhavdas (Messrs. Madhavdas Rugnathdas & Sons.)
404 ,, Dharamdas Nagardas (Messrs. Laxmichand Dharamdas & Co.)
405 ,, Mohanlal Harakhchand (Messrs. Mohanlal & Co)
406 ,, Ranchhoddas Varjivandas (Messrs. Ranchhoddas Varjivandas & Co.)
407 ,, Chhotalal M. Kothari (Messrs. Chhotalal Kothari & Co.)
408 ,, Rughnathdas Lalji (Messrs. Abubakar Abdul Rehman & Co.)
409 ,, Karsandas Hargovan (Messrs. R. Karsandas & Co.)
410 ,, Jamnadas Purshottam (Messrs. Jethabhai Hirji & Co.)
411 ,, Vassanji Meghji (Messrs. B. Hargovan & Co.)

412 Mr. Chhaganlal Karunashanker (Messrs. Vithaldas Radhakisan & Co.)
413 ,, Jamnadas Kanji (Messrs. Jamnadas Mathuradas & Co.)
414 ,, Ramdas Karsandas (Mr. Ramdas Karsandas.)
415 ,, Govindji Dahyabhai Desai (Mr. Govindji Dahyabhai Desai.)
416 ,, D. D. Sethia (Messrs. Shivji Dharamsey Sethia & Co.)
417 ,, A. B. Pandya (Messrs. The Malbar Forests & Rubber Co., Ltd.)
418 ,, Tarachand H. Khana (Mr. Tarachand H. Khana.)
419 ,, Venilal Jekisandas Vakil (Mr. Venilal Jekisandas Vakil.)
420 ,, Tulsidas Ramdas (Mr. Tulsidas Ramdas.)
421 ,, Amritlal Maneklal Thakkar (Mr. Amritlal Maneklal Thakkar.)
422 ,, Jamnadas Narandas Chahevala (Mr. Jamnadas Narandas Chahevala.)
423 ,, Pragji Dayal Hariani (Mr. Pragji Dayal Hariani.)
424 ,, Morarji Narottam (Mr. Morarji Narottam.)
425 ,, Keshavji Bhimji Thakur (Messrs. Jamnadas Keshavji & Co.)
426 ,, Sheralli Tarmohmad (Messrs. Dawoodalli & Co.)
427 ,, Jivanlal Chimanlal Setalvad (Messrs. J. C. Setalvad & Co.)
428 ,, Narayandas Bhawanji (Messrs. Narayandas Bhawanji & Co.)
429 ,, Keshavlal Harakhji Thakkar (Messrs. A. M. Thakkar & Co.)
430 ,, Monji Gangji (Messrs. Monji Gangji & Co.)
431 ,, Bhimji Premji (*Messrs. Dossa Harji & Co.*)
432 ,, Naranji Premji (*Messrs. Purshottam Naranji & Co.*)
433 ,, Sitaram Laxmidas (Messrs. Sitaram & Co.)
434 ,, Pranlal Lallubhai Shah (Messrs. Pranlal Lallubhai & Co.)
435 ,, Purshottam Hirjee (Messrs. Hirjee Govindji & Co.)

436 Mr. Chimanlal Mohanlal (Messrs. Chimanlal Mohanlal & Co.)
437. ,, Ranchhoddas Govindji Asher (Mr. Ranchhoddas Govindji Asher.)
438 ,, Lalji Padamsey (Mr. Lalji Padamsey.)
439 ,, Yesvant Vinayak Dhurandhar (Messrs. Dhurandhar Brothers.)
440 ,, Nanalal Dahyabhai Nanavati (Messrs. The Gujarat Oil Mill Mfg. Co., Ltd.)
441 ,, V. A. Desai (Messrs. The All-India United Assurance Co., Ltd.)
442 ,, Bomanji C. Gazdar (Mr. Bomanji C. Gazdar.)
443 ,, Khimji Asher Virji (Mr. Khimji Asher Virji.)
444 ,, Dhanji Devsey (Messrs. Dhanji Devsey & Co.)
445 ,, B. S. Dubas (Messrs. B. Dubas & Co.)
446 ,, Maneklal Ujamshi (Mr. Maneklal Ujamshi.)
447 ,, Hiralal Bakordas (Mr. Hiralal Bakordas.)
448 ,, Ranchhoddas Harjivandas Gandhi (Mr. Ranchhoddas Harjivandas Gandhi.)
449 ,, Thackersey Mahashankar (Messrs. Thackersey Mahashankar & Co.)
450 ,, Dharamsey Bhawanji (Messrs. Dharamsey Bhawanji & Co.)
451 ,, Goculdas Tricumji (Messrs. Bhawanji Harbham & Co.)
452 ,, Ladakchand Oghaddas Vora (Mr. Ladakchand Oghaddas Vora.)
453 ,, Ratilal Tribhovandas (Messrs. Ratilal & Co)
454 ,, Dossabhai Maganlal (Mr. Dossabhai Maganlal.)
455 ,, Hormasji Cooverji Mody (Mr. Hormasji Cooverji Mody)
456 ,, Ardeshar N. Chandabhoy (Mr, Ardeshar N. Chandabhoy.)
457 ,, Jamsedji Edalji Sabja (Mr. Jamsedji Edalji Sabja.)
458 ,, Narayandas Girdhardas (Mr. Narayandas Girdhardas.)
459 ,, Sorab Framji Bharoocha (Mr. Sorab Framji Bharoocha.)
460 ,, Viccaji Ardeshar Taraporvala (Mr. Viccaji Ardeshar Taraporvala.)
461 ,, Mahmod Usman Jamal (Messrs. Mahmod Usman & Sons.)
462 ,, Maganlal Dahyabhai (Messrs. Dahyabhai Vassanji & Sons.)

463 Mr. Haji Mohmad (Messrs. Haji Valli Mahmod Musa Motivala & Co.)
464 ,, S. K. Daftari (Messrs. Hussenbhoy & Co.)
465 ,, Keshavlal Harilal Setalvad (Messrs. M. Kanji & Co.)
466 Mr. Sangidas Jesiram Rai Saheb (Messrs. Sangidas Jesiram Rai Saheb.)
467 ,, Dayaldas Narandas Kanji (Messrs. Narandas Kanji & Co.)
468 ,, Kanji Dwarkadas (Mr. Kanji Dwarkadas)
469 ,, Jamnadas Dwarkadas (Messrs. Jamnadas Karsandas & Co.)
470 ,, Karsandas Tejpal (Messrs. Karsandas Tejpal & Co)
471 ,, Tricumdas Dwarkadas (Messrs. Tricumdas Karsandas & Co.)
472 ,, Ramanbhai Lalbhai Seth (Messrs. Bechardas Manchand.)
473 ,, Punsey Hirji Maishri (Messrs. The Cutch Steam Navigation Co. Ltd.)
474 ,, Kasturbhai M. Nagerseth (Messrs M. Nagerseth & Sons.)
475 ,, Shamji Hemraj (Messrs. Shamji Hemraj & Co.)
476 ,, Ratanchand Rawley (Messrs. The Sholapur Sp. & W. Co. Ltd.)
477 ,, Laxmidas G. Dossa (Messrs. Goculdas Dossa & Co.)
478 ,, Govind N. Pranjpe (Messrs. S Laul & Co.)
479 ,, Ram Autar Maini (Messrs. Ram Autar & Co.)
480 ,, Burjorji Dorabji Panday (Mr. Burjorji Dorabji Panday.)
481 ,, Morarji Keshavji (Messrs. Morarji & Hormasji & Co.)
482 ,, Bomanji Dorabji Kapadia (Mr. Bomanji Dorabji Kapadia)
483 ,, Hiralal Gordhandas (Messrs. The Bombay Automobiles.)
484 ,, Gopalji Ramji (Messrs Gopalji Chapsey & Co.)
485 ,, Chandulal Manilal (Messrs. Chandulal Manilal & Co,)
486 ,, Motiram Waghji (Messrs. Pragji Liladhar & Co.)
487 ,, Purshottam Dayal Thakkar (Messrs Thakkar & Co.)
488 ,, Govindji Kuberdas Kapadia (Mr. Govindji Kuberdas Kapadia.)
489 ,, Chimanlal Kalyandas (Messrs. Chimanlal Kalyandas & Co.)
490 ,, Nensey Chapsey (Messrs. Gopalji Chapsey & Co.)

MEMBERS OF THE COMMITTEE OF THE INDIAN MERCHANTS' CHAMBER & BUREAU FOR THE YEAR 1920-1921.

CHAIRMAN :

Mr. Lalji Naranji.

VICE-CHAIRMAN :

Mr. Hansraj Pragji Thakersey.

MEMBERS :

1. Mr. Purushottamdas Thakoredas, C. I. E.
2. ,, C. V. Mehta, M. L. C.
3. ,, Manmohandas Ramj, M. L. A.
4. Hon. Mr. Lallubhai Samaldas, C. I. E.
5. Sir Fazulbhoy Currimbhoy.
6. Sir Vithaldas D. Thakersey.
7. ,, Dinshaw Petit.
8. Mr. Jehangir B. Petit.
9. ,, Laxmidas Rowji Tairsee.
10. ,, Ishwardas Lakhmidas.
11. ,, Motilal Kanji.
12. ,, Fazul Ibrahim Rahimatulla.
13. ,, S. R. Bomanji.
14. ,, Surajmal Lallubhai.
15. ,, S. E. Warden.
16. ,, Jamnadas Vasanji Manji.
17. ,, Jamnadas Dwarkadas.
18. ,, Jethmal Narandas.
19. ,, Manu Subedar.
20. ,, Vullabhdas Chaturbhuj Shivji.
21. ,, S. N. Pochkhanawalla.
22. ,, Mavji Govindji.
23. ,, Kikabhoy Premchand.

Co-opted Members under rule 25 of the Rules and Regulations of the Chamber:—

1. Mr. N. M. Muzumdar.
2. ,, B. F. Madon.
3. ,, Mathuradas Kanji Matani.
4. ,, Revashanker Jagjivan.
5. ,, Veljee Lakhamsey Napoo.

These 5 members together with the elected 25 members make up the required number *i. e.*, 30.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER & BUREAU.

Mr. Manmohandas Ramji, M. L. A. 1907—1913.
,, Purushottamdas Thakordas, C.I.E. 1913—1914.
Sir Fazulbhoy Currimbhoy 1914—1915.
,, Dinshaw Edulji Wachha 1915—1916.
Hon. Mr. Lallubhai Samaldas C.I.E. 1916—1917.
Sir Vithaldas D. Thakersey, Kt. 1917—1918.
Mr. Chunilal V. Mehta, M. L. C. 1918—1919.
Mr. Jehangir B. Petit 1919—1920.

SECRETARY :—Mr. J. K. Mehta, M. A.

ASST. SECRETARIES:—Mr. S. M. Muzumdar, M.A., LL.B.
,, K. M. Desai, B. Com.

AUDITOR :—Mr. Devidas Vithaldas.
CHAMBER'S SOLICITORS:—Messrs. Captain and Vaidya.

Representative on the Indian Legislative Assembly.
Mr. Manmohandas Ramji, M.L.A.

Representative on the Bombay Legislative Council.
Mr. Chunilal V. Mehta, M.L.C.

Representative on the Bombay Port Trust.
Mr. Manu Subedar, B. Sc , F. S. S.

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Annual General Meeting.

The thirteenth Annual General Meeting of the Indian Merchants' Chamber and Bureau was held at the office of the Chamber on Saturday, the 2nd October 1920, at 2 p.m., (S.T.) to transact the following business :—

(i) To receive the report of the Managing Committee for the year 1919-20.

(ii) To declare the election of the Members of the New Committee.

(iii) To appoint an Auditor to the Chamber for the ensuing year.

Mr. Jehangir B. Petit, Chairman of the Chamber, presided.

The following members were present :—

1. Mr. Jehangir B. Petit.
2. Mr. Purushottamdas Thakordas, C.I.E.
3. ,, Chunilal V. Mehta.
4. Hon. Mr. Lallubhai Samaldas, C.I.E.
5. Mr. Vallabhdas Chatrabhuj Shivjee.
6. ,, Mathradas Valjee.
7. ,, Dwarkadas Ramji Naranji.
8. ,, Mathuradas Haridas.
9. ,, Vithaldas D. Govindjee.
10. ,, Goculdas Jivraj.
11. ,, Vallabhdas Jamnadas.
12. ,, Mathuradas Liladhar.
13. ,, Laljee Naranjee.
14. ,, Naranjee Narsey.
15. ,, Vandravandas Valjee.
16. ,, Motilal Kanjee.
17. ,, Chaturbhuj K. Shroff.
18. ,, Bhagwandas Keshavjee.
19. ,, Dwarkadas Tricumdas.

20. Mr. Mooljee Lakhmidas.
21. ,, Ramdas Ranchhoddas.
22. ,, Jagjivandas Gordhandas.
23. ,, Haridas Mathradas.
24. ,, Jethmal Narandas.
25. ,, Jamnadas Harakhjee.
26. ,, Narottamdas Vallabhjee.
27. ,, Damodar Tribhovandas.
28. ,, Tricumdas Chakubhai.
29. ,, Mathuradas Haribhai.
30. ,, Mathuradas Doongersey.
31. ,, Premjee Virjee.
32. ,, Mansukhlal Oghadbhai.
33. ,, Karsandas Vallabhdas.
34. ,, Hansraj Purshottam.
35. ,, Laxmidas Keshavjee.
36. ,, Revashankar Jagjivan.
37. ,, O. H. Nazar.
38. ,, Krishnarao P. Kothare.
39. ,, Pestonjee Eduljee Dhala.
40. ,, Gulabchand Dharamchand.
41. ,, R. L. Sutaria.
42. ,, Gulabchand Devchand Jhaveri.
43. ,, Haridas Nagjee Vohra.
44. ,, Hansraj Pragjee Thakersey.
45. ,, Surajmall Lallubhai.
46. ,, Burjor Framroze R. Joshi.
47. ,, Mavjee Govindjee.
48. ,, Jamanadas Dwarkadas.
49. ,, Vishwanath P. Vaidya.
50. ,, Jagjivandas Narayan Mehta.

51. Mr. Jamnadas Vasanjee Manjee.
52. ,, Shantaram Vishwanath Divedkar.
53. ,, Mohanlal Hemchand Jhaveri.
54. ,, Fazul Ebrahim Rahemtulla.
55. ,, D. G. Banker.
56. ,, B. F. Madon.
57. ,, B. C. Sethna.
58. ,, Ishvardas Laxmidas.
59. ,, Hussein A. Fazulbhoy.
60. ,, Moolji R. Ved.
61. ,, Madhavlal Hiralal Shah.
62. ,, Vallabhdas Ranchhoddas.
63. ,, Kapildram H. Vakil.
64. ,, Govindjee Vasanjee.
65. ,, Gordhandas Keshavlal Shah.
66. ,, Somnath Rupjidas Patel.
67. ,, Sarabhai Pratapraj.
68. Lt.-Col. J. Reid Hyde, C.B.E.
69. Mr. Raghunathdas Ladjee.
70. ,, Ramdas Kursendas.
71. ,, Tarachand H. Khana.
72. ,, Keshavlal H. Thakkar.
73. ,, Pranlal Lallubhai Shah.
74. ,, B. S. Dubash.
75. ,, Ratilal Tribhovandas.
76. ,, Narayandas Gordhandas.
77. ,, Keshavlal H. Setalvad.

and others.

IN PROPOSING THE ADOPTION OF THE REPORT
MR. JEHANGIR BOMANJEE PETIT, CHAIRMAN, SAID:—

GENTLEMEN,

I beg to propose that the report, and the audited accounts and balance-sheet of the Chamber for the year ending 31st August 1920, printed copies whereof have been previously circulated among the members, be approved and adopted; and with your permission, take this opportunity of offering a few remarks in connection with some matters of general public importance arising therefrom.

As you are aware, the year before last was an important one in the history of this Chamber; but, the year under review has proved to be still more remarkable for more than one reason. In view of the fresh and new atmosphere created by the cessation of the great war and the larger outlook generated by it in this country in common with the rest of the world, a series of most important and far-reaching mercantile and industrial problems have come into existence, upon the correct consideration and proper understanding of which will largely depend the future economic growth of this country. Your committee as representing the Indian commercial interests of the Presidency and as very largely echoing the opinion of Indian trade and industry throughout the country, had naturally to bear their share of the work incidental to the examination and solution of these important problems. A perusal of the report of the committee will give you an idea of the scope and character of the numerous questions which came before them for consideration during the past year, and the manner in which they were dealt with. The Government continued in the last year as before to consult your Chamber from time to time on various important matters relating to the commercial and

industrial welfare of the country. I need hardly tell you, that consistently with the past traditions of the Chamber, your committee invariably endeavoured even when their opinion was not directly invited to give unequivocal and emphatic expression to the Indian point of view often even at the risk of being misunderstood, and in some cases, as for example, in matters relating to the sale of "Reverse Councils," even launched upon a programme of activity for cultivating and guiding public opinion; and initiated and conducted a vigorous campaign of agitation in order to make the views of the country heard and respected by the authorities. The system of educative and propagandist work, thus introduced, has a value of its own; and will, I am sure, not only have the approval of the Chamber but will also be followed in the future in cases in which such exceptional treatment is necessary. Although in a majority of cases, the views expressed by the committee have unfortunately fallen on deaf ears I am glad to say that the ererpsentations on various important matters made by the committee on your behalf were not altogether without their effect; and in not a few cases, this was demonstrated not so much by the direct results that they could achieve, as by the harm and mischief that by their timely action they were effectively able to prevent. All this necessarily meant very arduous and continuous work for your committee which had consequently to put in more time and devote more energy than in the past to cope with which fortnightly instead of monthly meetings of the committee had to be held, the total number of items disposed of during the year under review being double the items of the previous year. The system of having expert-committees for different subjects, was also very largely resorted to during the last year and has worked very satisfactorily resulting in the quick and efficient distribution and discharge of work and a

very welcome reduction in the duplication of the administrative and executive machinery. The new system of holding general meetings of members every quarter to take account of the committee's work during the period. was put into effect in the past year, in accordance with the resolution passed by you in that behalf. Judging by the very scanty attendance of members at these meetings and the not very enthusiastic interest taken in their proceedings, I do not think the movement is very popular ; nor am I of opinion that it is of any great use. It is however for you to determine whether it should be continued or not. Under the Reform Act of 1919, your Chamber has been given the privilege of sending a representative each to the Indian Legislative Assembly and the Bombay Legislative Council,—an arrangement, which is an advance on the right hitherto enjoyed by the Chamber of sending a representative only to the local Council. Your committee, taking advantage of the sojourn in Bombay in January last of Lord Sinha and Mr. Bhupendranath Basu on their way to their native province, entertained them at an afternoon gathering and extended to them a welcome to the shores of India. The Chamber had to bemoan in the last year the death of one of its valued and respected members in the person of the late Sir Shapurji Bharucha, and your committee made a fitting note in their records of his services to the Chamber.

As will be seen from the statement of accounts and the balance-sheet, attached to the report, your finances have improved very substantially during the last year. I am sure you will also be glad to hear that the number of your members has gone up from 324 to 493. I hope the work of the committee as revealed by the report in your hands and the position of your finances and membership, will be found satisfactory.

Before I enter into a discussion of the report I should like to say a few words about two important matters which now agitate the public mind. I mean the two strikes that are at present going on in the city; and the Grant-Road Terminal scheme. As to the postal strike, the attention of your committee has been drawn to the serious dislocation caused by it and the inconvenience to with particularly the Indian commercial section is being put in consequence; and your committee have sent an urgent wire to the Post Master-General, urging the adoption even of temporary and effective measures at least to mitigate these inconveniences. To add to the difficulty the gas-strike is now on. We have seen published in the papers, the figures of the different scales of salaries drawn by the postmen; and personally, I do not think that there is any justification for the men to strike. The figures for the salaries of the gas men have not yet been published. But, I do hope that those who claim to be the friends of these men and lead them on to these strikes, will realise the danger of the situation and the spirit of insubordination that they are deliberately creating by fomenting trouble of this character, which must in its turn ultimately react upon the people.

The Grant-Road-Terminal scheme will, if put into effect, result in throwing out of their houses, thousands of people, at a time when the housing problem is most difficult and acute; and there is no reason why it should not be altered, if a reasonable alternative scheme can be found. The Government have not tried to find one, and have chosen to close their ears against all suggestions differing from their preconceived ideas. This scheme has been conceived, developed and hatched in private. The Government have not taken the people into their confidence; and it is due to the public of this city to agitate for a closer examination of it with a view to its revision and re-

consideration. It is absurd to suggest that the last word has been said on it. Now that the matter has been taken to a head, I hope the Chamber will take it up in the current year and declare its opinion thereon at an early date.

I shall now pass on to a few of the most important questions of public importance that engaged the attention of your committee during the year under review.

By far the most important event of the year was the publication of the long-looked for report of the Currency-Committee early in February last. In consequence of the extra-ordinary conditions produced by the war and particularly because of a series of unnecessary legislative enactments and arbitrary executive ordinances, unfairly imposed by an irresponsible bureaucracy upon this country mainly in the interests of England, thereby severely restricting the free and natural course of her trade relations with the world, the system of exchange and currency arrangement that had prevailed before the war, hopelessly broke down soon after the declaration of hostilities and brought about a serious dislocation of business conditions, from the enervating and disastrous effects of which the country has not yet completely recovered. It is but natural that conditions such as these should produce a feeling of deep dismay and indignation throughout the length and breadth of this country, which now unanimously demanded a reconsideration of the entire currency and exchange policy of the Government with a view to the introduction of a true gold standard and an automatic currency in accordance with natural conditions instead of an artificial "exchange standard" and a "managed currency" which had thus egregiously failed and put the people to an enormous loss.

In view of this perfectly legitimate demand, this country was entitled to expect that the Committee appointed by the

Secretary of State to inquire into and advise him in regard to the future of Indian exchange and currency, would be an independent one, composed of men free from the trammels of office and prejudice of vested interests, and that the scope of the reference would be as wide and unrestricted as possible. As invariably happens in most matters relating to this country, special care appears, however, to have been taken to restrict the scope of the inquiry by every conceivable device and particularly by pinning it down to a "gold exchange standard." Equal care seems to have been taken to emasculate the personal of the Committee by studiously reducing to the minimum the appointment thereon of Indians and those representing the Indian point of view, and at the same time packing it with high Government officials and representatives of the English banking interests, whose personal predilections and the interests of this country are in inverse ratio and who had already too far committed themselves to definite views and policies to be open-minded. The result is that the report is absolutely one-sided; and has naturally failed to give satisfaction to this country. It has merely registered the preconceived ideas of the Secretary of State and the Government of India; and has totally ignored the representations containing the views of India that were placed before the Committee by the different important commercial, industrial and economic bodies of this country. In this connection, I beg to invite your special attention to the very clear and elaborate representation submitted before the Committee by the Chamber embodying the views of commercial India; as also to the memorandum containing the exceedingly able evidence with which your representative Mr. Manu Subedar, who was specially deputed to proceed to England for the purpose very forcibly supplemented it.

It is hardly necessary at this time of the day to survey in

detail the situation that existed prior to the appointment of the Committee, or even to narrate at length the several measures adopted by the Government from time to time, which have all combined to create the difficult situation of to-day. It is enough to remember that in consequence of the supply by India of enormous quantities of her raw-materials, finished products, munitions of war, food-stuffs and other necessaries of life, not only to England and other parts of the Empire, but also to the Allies, a very large balance of trade even after setting off what are known as the home-charges, was created in favour of India, to pay which England had not sufficient gold in her coffers and for which she wished to pay as little as possible. Every available method was therefore studiously devised and deliberately resorted to by an all-powerful and almost absolute Government to substantially reduce, if not altogether wipe out this balance of trade in favour of India. First of all, huge war contributions amounting in the aggregate to £ 145 millions were wrung out of India's poverty in a manner and by a method which cannot possibly add to the reputation of England; and credit for them was thus created in favour of the United Kingdom. Simultaneously, the balance of trade in favour of India was effectively prevented from growing by the wholesale commandeering of food-stuffs, raw-materials and other articles of use at absurdly low rates, arbitrarily laid down without regard to world-prices and conditions; and by the very rigorous and in many cases absolutely unnecessary control of exports during and even after the war. Severe restrictions were at the same time imposed on the free movement of precious metals, thereby removing one of the familiar methods by which a balance of trade in favour of India could have been settled, as used to be done in normal times. An unwarranted embargo was imposed on the import of gold which could not be had fo

love of money during the best part of the war and the import of which even after the armistice had been practically made impossible by absurd ratings and acquisition rates. In spite of the very emphatic demand of the whole of India for its removal and the definite recommendation both of the majority and minority reports of the Currency Committee to the same effect, this embargo continued until a few days ago. Silver too became scarce and was difficult to obtain,—a situation, which the Government of India unfortunately aggravated by over-issuing notes in this country for the purpose of using them for making purchases for the Allies, and for scrambling for silver and raising silver prices against themselves when these notes fell to a discount. The sales of "Councils" were at the same time heavily curtailed for fear of endangering the convertibility of the note-issue. And finally, the rate of exchange was gradully forced up by a series of artificial and deliberate changes to heights unknown before.

As I have already said, the majority report has very largely accepted the statement of fact and incidents presented by the Secretary of State and the Government of India, upheld the various measures adopted by them from time to time and put the seal of its approval on their entire currency and exchange policy ever since the beginning of the war. It has accepted the specious plea that a high exchange reacts favourably upon the industries of the country and on the prosperity of the people, that the exports of the country and even the produces thereof would not suffer by it, and that it would have the effect of materially reducing the high prices of food-stuffs. It has also committed the blunder of giving a very rude shock to the confidence of the public in the good intentions of the Government by so lightly agreeing to the abandonment of the old standard of Rs. 15 to the £ and recommending a new ratio of 2s,

to the Rupee, without paying any attention whatsoever to numerous other alternative methods of averting this change, that were suggested principally in the representations sent from this country. I advisedly use the word "lightly" because this sudden change in our standard unit vitiates all contracts based on Rupee, and constitutes a fraud on the debtor-class which practically forms three-fourths of the population and that too, the poorest of this poor country. The report has particularly taken a retrograde step with regard to the constitution and location of the different Indian reserves, reducing the figure of such investments from nearly 30% as recommended by the Chamberlain Commission to as low a figure as 15%. Among other matters, it has also made certain important suggestions particularly about the total removal of the embargo on gold and the sale of "Reverse Councils" in cases of exchange weakness.

These, briefly put, are the main recommendations of the majority-report. As was to be expected the Secretary of State and the Government of India readily accepted it, and the latter forthwith proceeded to put it into effect by instalments, with the result that the rate of exchange has now been artificially fixed at 2s gold to the Rupee. Simultaneously, in spite of the unanimous recommendation of the report and the emphatic demand of the country to the contrary, the embargo on the import of gold into India was deliberately continued until very recently, for reasons best known to the Government themselves; and finally, even though the only condition under which even the majority-report has recommended this course, had not arisen the ruinous and now notorious policy of selling "Reverse Councils" was instituted and want only persisted in until two days ago.

Your committee promptly sent an elaborate and closely reasoned representation to the Secretary of State and the

Government of India, strongly protesting against the findings of the majority report, and emphasising once again the utter futility of expecting the Secretary of State for India, from a distance of over 6,000 miles, surrounded by representatives of vested interests nearer home, to satisfactorily and equitably settle such important and far-reaching questions of procedure and policy on which more often than not, the interests of India and the United Kingdom are in direct conflict. Your committee also followed up this representation from time to time with numerous telegrams on various matters arising out of the report; had two interviews with the Hon. Mr. Hailey, the Finance Member of the Government of India; and finally held a very largely-attended meeting of the inhabitants of Bombay to focus public opinion on the entire currency and exchange policy of the Government of India, and other questions arising out of the report of the Currency Committee.

I beg to invite once again your most careful attention to the various representations, letters and telegrams, thus sent on your behalf from time to time and particularly to the reports of the public meeting to which I have already referred and of the two interviews your committee had with the Finance Member. In all these, among other things, your committee completely exposed the utter hollowness of the fallacy that a high exchange was advantageous to the country, and proved to the hilt that it ultimately benefitted neither the ryot and the ordinary consumer, nor even the manufacturer and the artisan. Your committee also repeatedly drew the attention of the Government in forcible and unmistakable terms to the utter madness of the policy of selling "Reverse-Councils," its harmful effects upon our trades and industries, and the tremendous burden it imposed upon the revenues of the country. They also thoroughly exposed the untenable character of the argument of "pote-

ntial loss" advanced by the Finance Member; and without prejudice to their objection on principle to the system of "Reverse Councils," made numerous suggestions from time to time for improving the manner and the method of these sales—if they were to be continued—with a view to the neutralisation as far as possible of the harmful effects thereof and a more equitable distribution of the hardships entailed by them. Finally, your committee submitted to the Government a number of alternative proposals, many of which had been tried with success in other countries similarly situated and the adoption of which in the opinion of your committee would have very largely modified if not altogether averted the acute currency situation that had arisen. I am sorry to have to say that all your protests and recommendations have very largely fallen on deaf ears; the country has been put to a loss, the magnitude of which she has not unfortunately yet fully realised; and a severe dislocation has been wantonly brought about in the trade and industrial conditions of the country from the harmful effects of which she must necessarily continue to suffer for a very long time to come and which must meanwhile exercise a very prejudicial effect upon her economic growth and advancement. You will get some idea of the harm done to the country when I say that "Reverse Councils" for some £55 millions have in all been sold up to date, which means the complete effacement of our country's sterling reserves in the paper currency department which stood very nearly at this figure on the day of the publication of the report and also that these £55 million were piled up in our books there at an equivalent value of 82 crores of Rupees, which will thus leave a loss of some 30 to 35 crores of Rupees from their realisation as "Reverse Councils." This figure necessarily includes the amount of the enormous loss, aggregating to several crores caused to the country by the wholly

unwarranted and unduly large difference, purposely kept between the selling-rates of "Reverse Councils" and the prevailing market-rates of exchange which enabled the English, foreign and other bankers, and the enterprising and opulent speculators to put large sums of money into their pockets at every sale.

For better or for worse, the exchange and currency policy thus forced upon India, in the teeth of public opposition and regardless of the country's needs and interests, is now there; and has already commenced to produce the harmful effects which were expected of it. It has not even the merit of achieving all the wonders that the authors and perpetrators of it fondly anticipated; and another commission of inquiry is already overdue!

Another matter of very great public importance which engaged the attention of your committee during the year under review was the notification No. 6993 of the Government of India, unfairly restricting the import of dye-stuffs into this country except through the British dye-manufacturers, and the issues arising out of the same. Your committee immediately protested against this unwarranted step by wire, pointing out that the action taken was in the nature of a monopoly and a protective measure for the British dye-manufacturers; was wrong in principle and indefensible from the standpoint of India's interests. Your committee also vigorously followed up the telegram by representations to the Government of India and the Secretary of State, wherein the utter injustice and iniquity of the situation, created by the notification, were pointed out with facts and figures. It was conclusively proved that the action of the Government practically threw the Indian manufacturers and dye-merchants at the mercy of the British manufacturers; that the interests of India were being subordinated to those of England; and that the restrictions imposed

were for all practical purposes in the nature of a subsidy to the British dye-manufacturers. Your committee plainly pointed out that if the latter stood in need of protection, it should have been given directly and openly by the Imperial Government and not by the Government of India in a circuitous manner; and that the attempt to penalise India's industry and trade for the purpose of giving an indirect subsidy to the British Dye-manufacturer or trader, was opposed to all principles even of trade within the Empire. Your committee also very forcibly urged these objections to the notice of the Hon'ble Sir George Barnes, Member for Commerce and Industry, during their interview with him; and I assure you that when putting your case before him, I did not make a secret of your views on the matter. We are glad that the Government have ultimately seen the wisdom of withdrawing this utterly unjust and discreditable measure; and I claim on your behalf that this result was in no small measure due to the persistence and force with which your committee attacked it. Your committee also considered during the last year the important question of *Imperial Preference* in its various aspects. They protested against the appointment of a committee of the Imperial Council to report upon its application to this country and urged that such a committee should under no circumstance go beyond the preliminary survey of the statistics relating to the question; and also that a representative commission should be ultimately appointed to examine the whole question of Imperial Preference before any definite step was finally taken. Your committee placed similar views before the Member for Commerce during their interview with him and strongly protested against the application to India of the principle of an indirect and flank movement, taken by the Government in the meanwhile, by the rebate of 10 per cent. given to the United Kingdom and the Colonies on the duty recently levied on the ex-

port of raw hides and skins from this country. The Member for Commerce gave a feeble and unconvincing reply, explaining away the point made by your committee, but unfortunately leaving them as unconvinced as before. Simultaneously, your committee also urged the absolute and urgent necessity of considering the question of the grant of fiscal autonomy to this country and pointed out that without that freedom, the rapid industrial progress of the country on national lines was an impossibility. In reply, Sir George Barnes pointed to the assurance conveyed in the Reform-Despatch on the subject; and expressed the conviction, that subject to certain safeguards, it meant complete fiscal freedom for this country. We have by now all read that Despatch and seen the wording of the Reform Act; and I do not think that you will find many in this country to share the view that what has been vouchsafed to us is real fiscal autonomy, as you and I and all of us understand it. I have always examined the question very closely and spoken of it at very great length from another platform. I will not therefore go over the same ground again at the present moment; but shall say only this to-day on your behalf, that we do not take the same view of the matter that was taken by the Member for Commerce and Industries, and by our distinguished countryman, the then Under-Secretary of State for India, the Right Hon. Lord Sinha.

As you are aware, the report of the *Industrial Commission*, has not yet been given effect to; and the Government are gradually making inquiries as to the desirability or otherwise of many of the recommendations made therein. A committee was accordingly recently appointed for examining and reporting upon the recommendation of the commission for the creation of a Chemical Service. Your committee gave the opinion that it would be desirable and advantageous to postpone the consideration of the question till the formation of the re-

formed councils. The suggestion, made by the Commission appointed to consider the question of the reform of the India Council, for the appointment of a High Commissioner for India in England, has been carried out; and as you know. Sir William Meyer has been appointed to the post. There is no doubt as to Sir William's ability to do justice to the duties of his post; but how far he will be able to serve India and to advance her interests, commensurately with the cost of his post remains to be seen. In my opinion, the rapid industrial and economic growth of the country on healthy and national lines can be secured only by the appointment of competent Indians in charge of all the provincial departments of industries throughout the country, and also in charge of the Commerce and Industry department of the Government of India: and by the bestowal upon them of ample powers to deal with the whole question of the industrial development of the country on a large and comprehensive scale. To achieve this end, the Indian member in charge of the Commerce and Industry Department of the Government of India should be empowered to lay down the lines on which the work of the different industrial departments in the provinces should be worked. This should ensure a co-ordination of policy and uniformity of method which are very badly needed at present. Unless this is done, I am afraid the industrial development of the country will not advance for a very long time to come; and our raw products will continue to be taken out of India by foreigners, as happens now, to the utter detriment of the country.

To give only one instance nearer home, I am certain that if such a system had been in existence, the unfortunate blunder of granting a monopoly of the Khapoli tail waters to an English firm, in spite of the emphatic and unanimous protests

of the entire public of this Presidency, would and could never have been perpetrated by the Government of Bombay. It is deplorable in the extreme that such a step should have been taken during the regime of so progressive and enlightened a Governor as H. E. Sir George Lloyd. I am bound to add that the unnecessary obstinacy and indescent haste with which this transaction has been carried out, have not added to the reputation of the Bombay Government. Your committee sent repeated and emphatic representations on the question both to the Government of Bombay and to the Commerce and Industry Department of the Government of India, drawing their attention to the harm that would be done by the step to the cause of the industrial development in the Presidency. Although the agreement for the monopoly has been signed, sealed and even ratified by the Secretary of State, your committee have reason to believe that the contemplated grant of a similar monopoly to the same company for the tail-waters of the Andra-Valley scheme has been definitely abandoned, and also that such stringent and effective terms relating to the sale of the power, the charging of rates etc., will be made as to mitigate to a very large extent the harmful and injurious effects of a monopoly of this character. A perusal of the several letters and representations sent by your committee on this important subject from time to time will, I am sure, be found very interesting.

There are many other matters of equal public importance dealt with by your committee during the year under review, to all of which it is not possible to refer in detail. But I should like to invite your attention particularly to the action taken by your committee with regard to the important questions arising out of the report of the Meston Committee, and the status of Indian merchants and traders in East Africa and the Colonies generally. So far as the former is concerned, your committee,

supported among other things the view unanimously held by the entire public of this Presidency for the making over to it of the revenue derived from Income-Tax. With regard to the latter, in addition to other representations, your committee held a public meeting jointly with other bodies, for the purpose of protesting against the unfair and inequitable treatment meted out to our countrymen generally in the Colonies; and urging upon the authorities the adoption of a better and more humane method of government.

Among other matters, your committee took prompt action and sent representations to the proper authorities, on such important subjects as the abolition of restrictions on the natural course of trade conditions; the removal of inter-provincial control of food-stuffs, the imposition of an embargo on the exports of grains; the shortage of railway-wagons and the reduction in their fares and freights; the revision of postal and telegraphic charges, both internal and foreign; the claim of India to a proper share in the indemnities receivable from the ex-enemy countries; and numerous other questions of a like nature, with the results mentioned against each item in the report before you, an examination of which will be found both interesting and instructive. In short, I am glad to be able to say that your committee have at all times and in all matters invariably adopted on your behalf, an attitude of enlightened co-operation, robust optimism and constructive-criticism, sometimes even when in view of the very trying and exasperating circumstances surrounding several questions and the deplorable attitude adopted thereon by the Government, the exercise of these qualities entailed a severe mental effort and no small measure of work and persuation to bring about unanimity among the various schools of thought which the Chamber represents. I need hardly add that in the consideration and decision of all questions, the one and only object that your com-

mittee consistently held before them, was the commercial and industrial development of the country.

Whilst on this subject, I would like to refer in passing to a matter which though not directly concerned with the report before you or even the work of your committee, is of sufficient public importance to warrant a temporary digression. As you are aware, the country is now on the eve of a great industrial development, the welcome and gratifying signs of which we see around us on all sides. But it is necessary to sound a note of warning. It is well to remember that the feverish haste and mad rush with which many of the numerous public companies we see floated around us every day with the rapidity of the Prophet's gourd, do not and cannot all contribute to the growth and development of industries. They are not all what they proclaim themselves to be. A great many of them are not even what ordinary joint-stock companies ought to be and cannot possibly achieve all that they say they will; and some of them are certainly not in honest and capable hands. It is essential therefore that the utmost possible caution should be exercised by the investing public. We all welcome the activity and desire for industrial growth; but it is absolutely necessary to hasten slowly and to proceed with caution. We do not want another industrial crisis such as the one that ruined the city during the share-mania catastrophe of 1865. The members of the public, and the mercantile and industrial fraternity in particular, cannot be overcautious in their dealings with new mushroom companies, with exaggerated notices and colossal nominal capitals which they never mean to and in some cases cannot possibly realise, but which are only meant to beguile an unsuspecting and ignorant public.

Before I close, I solicit the favour of your indulgence on another matter of outstanding public importance, which I

understand is going to be shortly mooted in this Chamber, and I hope you will not grudge it. I have been pressed by many friends to say a few words on behalf of the Indian commercial community on the campaign of Non-co-operation upon which the Indian National Congress under the guidance of the redoubtable Mr. Gandhi has recently launched. I was very doubtful whether I should at all speak on a matter of this kind on an occasion like this from my place as Chairman of this Chamber; but after very careful and mature consideration, I have finally decided to do so, of course in my personal capacity, thereby expressing only my private views and no more. Even when doing this, I confess I approach this very complex and delicate subject with considerable diffidence and hesitation, fully realising as I do, the difficulty of every self-respecting Indian, whatever his caste and creed, to speak about it with restraint and moderation. But I do sincerely hope that the opinion that I venture to express, will be shared by many of the members of this Chamber.

I am open to admit that so far as the direct and immediate causes of this movement are concerned, even though there may happen to be a difference of opinion as to the reasonableness and exact extent of the demands of the Khilafat Committee and the Musalman Community, all India is united to a man with regard to the Punjab atrocities. It is not my intention at this stage, to go into the many harrowing details of the inhuman tortures inflicted upon our hapless countrymen in the Punjab in the name of law and order by an insensate military, under the guidance and at the instigation of an insolent bureaucracy. These are all written in letters of blood on every page of the Report of the Congress Committee and even in portions of the Hunter Committee Report. They are there for those who care to read and understand and learn. They are there to proclaim to the world, to the eternal shame of England, the most discreditable

phase of the tyranny of her misrule in this country. They will continue for all times to be a standing disgrace to the British people, to the Government of India, and all others, who deriving their authority from them, directly and indirectly participated in this massacre in their name and on their behalf. They constitute and will always remain one of the blackest pages in British History.

Our hearts have been cruelly wounded and our flesh has been lascerated by the unspeakable horrors of these barbarities. All will therefore admit that our grievance is just and our indignation well-founded; and none will deny that the total failure of the House of Commons to adequately punish the perpetrators of these heinous offences, has made our wounds bleed still more profusely. Mere abstract enunciations of broad principles and the policy of Government that were laid down by Mr. Montagu in his statement in the House of Commons on this matter, will not and cannot possibly assuage the ruffled feelings even of a gentle and proverbially docile people, thus gratuitously insulted and wantonly wounded. This country demands a free and frank admission of the acknowledged guilt of the butchers concerned and their adequate punishment; the complete reparation of the loss of those who have been made to suffer in consequence of this reign of terror and frightfulness; and an unequivocal declaration of policy, supported by concrete and constructive measures, which will convince the people of the impossibility of a repetition of such carnage in the future. This has not only not been done, but has been persistently denied to us. Dyer, Bosworth Smith, and others are yet at large, some of them even drawing pensions from our revenues. The British Cabinet has gone out of its way to give a certificate of good conduct to O'Dwyer and the Viceroy; and the latter still continues in office. To add

to our irritation, the House of Lords has passed a resolution about Dyer which has practically nullified the effect of the action of the House of Commons and the Cabinet; and many influential English people, both here and in England, have started a fund for presenting a purse to Dyer for his share in the carnage.

When we contemplate the consequences of these events upon the existence of British rule in this country, we are tempted to ask if England is so hopelessly bankrupt in statesmanship as to stand aloof all the time, absolutely mute and helpless, a mere silent spectator of these disgraceful enactments. The entire country is staggered at the lamentable lack of imagination and courage that His Excellency the Viceroy has displayed in this discreditable affair from top to bottom. Why he is ashamed even to make an open and frank declaration about the measures he has taken or is about to take to punish some of the offenders, as laid down by the Secretary of State, I for one cannot understand. An excellent opportunity of making such a declaration and of soothing the feelings of the country, presented itself very recently when Mr. Shastri gave notice of his proposition at the last meeting of the Imperial Council. But the art of statesmanship is apparently beneath His Excellency; and in his infinite wisdom he has thought fit to disallow the notice of motion, thus unwisely adding fuel to the fire at a most critical time in the history of India, when a little judgment, prudence, and tact would have achieved results far happier than could ever be encompassed by scores of Government notifications and press-notes. I realise, as no doubt all of you realise, that when the feelings of our people are thus sorely tried, and insult upon insult is thus deliberately hurled against our country, the limit of our endurance is reached. I would go a step further and say that it is but

natural that self-respecting Indians should think of refusing to co-operate with a Government that is guilty of such deplorable acts of omission and commission. I admit that it is therefore by no means difficult for us to understand the object of Mr. Gandhi's momentous move.

Gentlemen, when I have said this and readily made the many admissions that I have, I have said all that could possibly be said for the movement. I hope you will pardon me for saying that I have put the case against the Government in all its nakedness, without the slightest fear or hesitation. I am sure therefore that most if not all of you will concede that if I do not see eye to eye with Mr. Gandhi in all that he says and does, it is not because I do not agree or sympathise with him, but because I apprehend that his methods will not achieve the results that he and you and all of us have at heart. I therefore earnestly beg you to hold your souls in patience and consider, as wise and practical men of the world, what the movement of non-co-operation, as chalked out by Mr. Gandhi really means, what its effects upon the country will be and whither it will lead. When you have considered this movement in all its bearings, when you have examined its effects upon the various walks of life in which we are all severally engaged, when you have pondered over the result it will produce on the development and progress of this country, I am sure you will be driven as I have been, to the inevitable conclusion, that considering everything the movement will do the country more harm than good, that there are many insurmountable, practical difficulties in its way, which will make its general adoption by the people impossible in spite of the best of will for it; and that therefore it is bound to end in failure, even though it has behind it the name of Mr. Gandhi and all that it indicates and stands for.

The movement, in a nut-shell, amounts to a general and continuous strike of the people against the Government.

I will not discuss here the question as to whether or not, in view of the present unsettled and transitional condition of our political consciousness, the country as a whole is bound to regard the resolution of the Congress in the nature of a mandate. I know that there are acute differences of opinion on this matter even among the most ardent adherents of the Congress and among the very people who not long ago were most profuse in their abuse of those who had dared to differ from the Congress and insisted upon thinking for themselves. But it is necessary to remember that even if one were prepared to admit the force and cogency of the movement as an emergency weapon for staggering the Government and paralysing their machinery in the quickest possible manner for a very limited period, in order to force their acceptance of a clear and definite issue, it would be difficult to accept it as a measure of practical politics for everyday use. When it is inaugurated, as it ostensibly has been, as a movement laying down a continuous and progressive policy to be completely adopted by the country through slow and gradual stages for the purpose of bringing about a reform in the administration generally and for creating a more sympathetic and reasonable attitude in the Government, it is incumbent on every one having the good of his country at heart, to pause and consider the consequences of the campaign upon the country as a whole.

The Congress has advised ;—

(*a*) the boycott of titles and honorary offices.

(*b*) the boycott of Government functions such as levees and durbars ;

(*c*) the gradual boycott of Government or Government-controlled schools and colleges; and the establishment of national schools and colleges;

(*d*) the gradual boycott of the law courts by lawyers and litigants; and the establishment by the aid of such lawyers, of private arbitration courts;

(*e*) the boycott of the reformed councils by candidates and electors;

(*f*) the boycott of recruiting for soldiers, clerks and labourers for services in Mesopotamia (meaning Turkish dominions as on the outbreak of the war;)

(*g*) the boycott of foreign goods;

(*h*) the promotion of Swadeshi by stimulating manufacturers and the distribution of hand-spun yarn and hand-woven cloth out of such yarn.

The Congress has practically approved of Mr. Gandhi's entire programme of progressive non-violent non-co-operation but has adopted for immediate use these items for the first stage only. The Congress is to determine the pace for the remaining three stages *viz.*, the resignation of civil employment, of military employment, and the suspension of payment of taxes.

So far as (*a*) and (*b*) are concerned, it may cause some irritation and ill-will, but it will hurt neither the Government nor the people if you resolve to boycott titles, honorary offices and Government functions. But so far as (*c*), (*d*) and (*e*) are concerned, *viz.*, the boycott of educational institutions, law-courts, and reformed councils, the step would be disastrous and suicidal under existing circumstances. The educational

institutions belong to us and not to the Government. Many of them are even conducted by private agency and with the peoples' money. These institutions and the policy by which they are to be guided, will now come under the direct control of Indians, in view of the fact that education is going to be a transferred subject. It is possible that there may be difficulties even then, in always enforcing the peoples' will upon the educational policy of the country; but there is no need to despair atleast until a fair trial has been given to the new system. The most damaging argument against the movement is that we have not at present enough educational institutions in this country conducted on national lines, to which the children of those who join the movement may be sent. To speak of starting these institutions in course of time, and insisting meanwhile upon the children living their present studies, is too absurd a proposition to deserve serious consideration. The boycott of the law courts is subject to the same practical difficulty, to say nothing of the other issues involved in such a proposition, the chief among them being the ruin of numerous families and the practical surrender of all legal business in the country to Englishmen. The proposed boycott of the councils, even from the standpoint of those who want to create deadlocks, would be a fatal mistake. If you believe in achieving progress by obstruction, the way to do so is not by keeping away from the councils, but by going into them and fighting it out there. The reformed councils, though deficient in many respects, will be a decided advance on existing conditions; and it is for those of us who believe in progress and advancement on constitutional lines, not to boycott them as suggested, but to go there and by dint of work and force of character to show that they are inadequate and that we have out-grown them. So far as (*f*) *viz*, the boycott of recruiting

for soldiers, clerks and labourers for service in Mesopotamia etc., is concerned, no Indian worth the name, can possibly object to it. The country must insist that her resources and men shall not be utilised without the consent of the non-official members of the councils, for imperial and international purposes outside India and shall under no conditions be used for enslaving other nationalities. With that end in view, in my opinion the country is entitled and would be justified in asking the people to refuse to help the Government in any capacity whatever, be it as soldiers, clerks or labourers in the furtherance of these objects. But this item of work can be done independently and need not necessarily form part of Mr. Gandhi's campaign of non-co-operation. So far as, (*g*) and (*h*) *viz.*, the boycott of foreign goods and the promotion of the Swadeshi movement, are concerned, while I am prepared to admit the reasonableness and constructive character of the Swadeshi movement, I am unable to agree with Mr. Gandhi that the boycott of foreign goods is the only method to achieve it. The right and proper way to advance the Swadeshi movement, is to bring about the establishment of factories on an extensive scale and the utilisation in the country itself of all our raw materials for the manufacture of finished products not only for our own use but for the purposes of export. Even for the advancement of this object, this country, in view of her present condition of helplessness, will have to depend for a very long time to come, on foreign markets for many of the essentials, such as machinery, stores, etc., required in the building up of an industrial India. That being so, the boycott of foreign goods, under existing circumstances, will not only permanently retard the industrial growth of the country, but is an economic impossibility, unless it is seriously contended that we should be content to be where we are and depend

merely on such articles as the country now produces. It is well that the three other stages, *viz.*, the resignation of civil posts, the giving up of military employments and the suspension of the payment of taxes, have been postponed for the present by the Congress. First of all, the refusal by our people to have anything to do with the civil and military employments of the Government, would be tantamount to our handing over charge of our affairs to the bureaucracy—a condition, which we all hate and which the Congress has been fighting all its life to avert. The refusal to pay taxes if adopted by the Congress would mean the negation of all Government, and would bring the administration to a deadlock. No Government with an adequate sense of their responsibility can then be expected to stand by and gaze on. It would be disastrous for the country to embark upon such a scheme; and if persisted in, it must mean an ultimatum to the Government either to hand over charge and leave; or to fight it out to the bitter end.

I leave it to you, to think and determine for yourselves, what such an attitude will ultimately lead to, how it will react upon the people, what effect it will have upon the Government and their methods of governance. You must remember that whatever the faults of the Government may be weakness is certainly not one of their failings; and that no Government can long ignore a state of affairs such as the one which Mr. Gandhi's campaign seeks to create. Another thing that we cannot and ought not to forget, is the present nebulous and troubled condition of the country. Is the country prepared for such a struggle? Is it strong enough to bear the consequences of it? My answer is an emphatic negative.

For all these reasons, I hold that in view of the present condition of the country, the movement is most inopportune,

unpractical and injurious in spite of all that may be said and claimed for it, and that the country ought to pause and reflect before it follows it. This is the conviction to which I have been driven ; and I hope you, gentlemen, hard-headed, practical and shrewd men of the world that you all are, will agree with me. I am sorry to have taken so much of your time to labour this point ; but a good cause is my only excuse.

It would be however well for the Government to realise the significance of this movement ; and I hope its lesson will not be lost.

I take this opportunity of expressing my best and most cordial thanks to you, gentlemen, for the unfailing courtesy which you have consistently shown to me ; to the members of the committee for the valued advice and experience which they have always readily placed at my disposal ; to Mr. Warden, the Deputy Chairman, for having acted in my place during my absence, owing to illness, from your deliberations for nearly a month and a half ; to Mr. Mehta, our energetic Secretary, and his able staff, for the zeal, attention and promptitude with which they have invariably assisted me in my work and regularly attended to the very arduous duties of the Chamber during my period of office. I need hardly say that I have always been conscious of the high honour that you have done me ; and have during my regime, consistently endeavoured to perform my duties to the Chamber in a manner worthy of your past traditions and in keeping with the best interests of the country. In doing so, if by chance I have succeeded in giving you some small satisfaction, I frankly and unhesitatingly admit that it was due in no small measure to the kindness and indulgence with which you all invariably treated me ; and the assistance and co-operation that you have always extended to me. So far as I am concerned, my year of

office has proved to be one of the most memorable periods of my life, to which I shall for many a year to come, look back with deep feelings of pleasure and pride. I thank you, one and all, once again for your consistent kindness and consideration towards me; and from the bottom of my heart, wish the Chamber a still greater career of public usefulness in the future.

MR. WARDEN'S SPEECH.

In reviewing the business transacted by our Chamber during the last 12 months I have first to refer to the sad loss sustained by the Chamber by the death of Sir Shapurji B. Bhroacha who had been a member of the Managing Committee from the date of its establishment and who had all along taken keen interest in all financial and economic questions under consideration by the Chamber. His mature experience, great business talents and clear vision of what was good in the interest of the Chamber stood in good stead. But it is only meet that we should place on record the loss of such valuable citizen and colleague.

Coming to the question relating to the commercial interest of India, the Chamber has taken an active part with reference to the currency policy of Government, the distribution of dyes, import and export of precious metals, the Reverse Council Bills, railway rates and the general administration.

As you are all well aware this Chamber tried from the very beginning of Currency difficulties to place its views before the Government of India. Later on when the Currency Committee was appointed we deputed Mr. Manu Subedar as our representative to give our views before it That Committee took long time to consider the weighty and diversified evidence put before it by witnesses representing different interests. Their report which was published at a rather late date greatly dissatis-

fied the Indian Commercial Community and your Committee have been consistently and persistently representing to the Government the grave defects of that report. It was some consolation to find that Mr. Dadiba Dalal, the only Indian member on the Currency Committee, wrote a dissenting minute vigorously exposing the fallacies that underlay the report of the majority Committee. But unfortunately the Government have been putting into practice the different recommendations of the majority Committee though its report was discredited within a month of its publication by changes in the silver situation etc. Even recently the Government of India took a revolutionary step by changing the standard of ratio from Rs. 15 to Rs. 10 to a sovereign, despite the urgent request of your committee that such an important piece of legislation should best be brought forward before the next Council. One of the most grievous and condemnable of Government actions with regard to currency policy has been the sale of reverse councils which has resulted in a severe financial loss being inflicted on the country and a great tightening of the financial market I am of opinion that were the exchange left to find its own level according to the commercial situation from time to time in the country without any interference by the State, India should have very well adjusted its trade balance one way or other without any great hiatus.

Every substantial effort has been made and is being made by the Chamber to secure equitable supply of dyes required for textile and other industries. The Committee are glad to observe that its efforts, to a certain extent if not fully, have met with success. It is to be hoped that later on, Government would be pleased to give the Chamber's representation a more effective respone.

The burning question of the position of Indians in East Africa and in over-sea dominions of his Majesty are still not

definitely settled. The Chamber has unceasingly endeavoured to press the just claims of Indians to exercise the rights of citizenship like other subjects of the British Empire. We only appeal for a fair and equitable treatment, having regard to the fact that Indians have greatly helped to settle that part of the African continent and to assist in its future commercial development.

Making every possible allowance for what interest the settlers in that part of the world have urged against the Indians, it is much more than clear that without the valuable assistance of the Indians, the settlers would not promptly get all the advantages they have hitherto secured and hope to secure in future.

The British Government has only to see that the just and fair rights of the Indians are carefully considered and the arrangement arrived at should without unduly favouring the white citizens of the country, give adequate justice to the Indians. Meanwhile, we should offer our grateful thanks to the Government of India for what it has hitherto done and is still doing with singleness of purpose to bring about a reasonable and satisfactory settlement.

With regard to the establishment of the Imperial Bank the Chamber urged with all the arguments and facts at its command, what was essential to be done in the interests of the commercial communities of India. Government have only provided that not more than 4 non-officials shall be nominated as Governors of the Central Board, leaving us to infer that these will be Indians in case the representation of the Indian element is not strong on the Board. The select Committee may have felt that they were justified in finding the "gravest objection to attempting to embody in an act of legislature any racial qualification" but it is open to doubt if without

such a statutory provision it will be possible to secure adequate Indian representation on the Central Board.

Most of the European countries cannot do without the raw products of India and if the interests of the producers are fully and impartially considered, there would be a healthy revival of trade in India and in foreign countries. The great point to be considered in the future economic development of the country is to give Indians a fair and adequate right to safeguard and promote their own commercial interests.

India, Gentlemen, is now entering a new era of greater and quicker moral and material advance which, we all feel sanguine, will greatly contribute to promote the prosperity of our people in diverse important directions. She is now passing through a transition stage, which, as history teaches us, is not completed without some disturbances; hence, great care and circumspection are essential in order to achieve that orderly and steady progress, stage by stage, with sound wisdom and practical sagacity which are essential.

She is bound to realise ultimately her most cherished aspirations. Progress is the law of life and if we are only true to ourselves and work with our hearts and minds towards reaching that goal with sobriety of thought and judgment. we are sure to be all the better and happier for it.

Before I conclude, I must bear testimony to the very valuable and ceaselese work our Secretary Mr. J. K. Mehta has done and is doing for our Chamber. The position which the Chamber now occupies is greatly due to his energy and devotion to the welfare of the Chamber. With these few words, I bring my address to a close, and second the proposal for the adoption of the report put forward by the Chairman.

SPEECH OF MR. LALJI NARANJI, NEWLY ELECTED CHAIRMAN.

MR. PRESIDENT AND GENTLEMEN,—

I am deeply obliged to you for the honor you have done me by electing me as Chairman of this Chamber for the current year. I realise that this honor is not an empty one and that it is attended by a heavy responsibility which would require strenuous work if it is to be duly discharged. I hope to do my best towards justifying the selection you have made and working to the best of my capacity for the Chamber with the co-operation of you all.

We are now entering on an important and momentous era in the history of our Commercial and financial life. The days that are ahead of us are not only momentous but fraught with considerable anxiety as our position financially and commercially is linked with the international position. The world is passing to-day through a crisis of a vast magnitude which might assume serious dimensions if steps are not taken in time to check the growing seriousness of the situation. The end of the war was responsible for the creation of abnormal conditions in all departments of life. The immediate result was the sudden spurt and prosperous time and there was a period of phenominal prosperity in industry commerce and trade of the world. The prosperity however, was sudden and on such an unexpectedly large scale that the speculative elements were let loose and led to a boom which caused considerable anxiety to those who were watching the industrial and commercial growth of the country with interest. The signs of the day did not look healthy, the boom looked artificial; and the growth was unexpected; the usual pessimists were not wanting and the clash was expected on all hands. To-day it looks as though

the prognostications of the pessimist are going to come true. In America as announced in recent cables the Cotton Market and Motor Trade have witnessed a slump-an appreciable slump-and it is feared that it might extend to all aspects of the business world. Personally I do not think there is much justification for any undue pessimism. There is scarcely any likelihood of a tightness in the Money Market like what most people have been asking us to be prepared for and with the tremendous shortage in the supply and the growing volume of the demand there is scarcely any warrant for any deflation in prices. But there is the fact of the tremendous unrest in the industrial and commercial world; there is the fact of an apprehension of threatening money tightness; there is the fact of every one in the mercantile community living in a perpetual dread of bad times coming ahead. It would require all the resources of this Chamber to gain the industrial and business world along lines which would enable them to steer clear through the pitfalls. The work of the Chamber has been of a most important nature in the past. The work before you is even more important.

Your Committee will have this year to devote their attention to the question of State versus Company management of Railways, railway freights, railway finances etc., as a Commission will shortly be appointed to go into all these questions. It will be one of the most important Commissions in this country as on the proper solution of all these questions depends the future progress and development of our trade and industries. Your Committee has in the past emphatically advocated State management of railways which is the only way in which you can make railways a fit and convenient instrument for benefitting your trade. As matters stand at present the Company management has proved itself adverse to the interests

of indigenous trade and industries and unresponsive to the demands made by the commercial community.

Another important question will be that of Tariff. India has got under the Reform Scheme fiscal autonomy of a modified nature, though we are not satisfied with this as your late Chairman Mr. Petit put it very aptly and vigorously in his speech at the last session of the All India Industrial and Commercial Congress. But we should utilize fiscal autonomy in the form in which it is given to us to re-adjust our tariffs for the betterment of our trade and industries and to press for fiscal autonomy being accorded to us in the form in which it is being enjoyed by the colonies.

There is also the question of the financial policy of the Government of India which occupied so much attention of the Committee last year. You have seen from the Report presented to you with what patience and persistence your late Committee fought against the Government with regard to the financial policy foisted upon this country in pursuance of the one-sided and short-sighted recommendation of the Babington Smith Committee.

Removal of restrictions of all sorts with regard to the movement of precious metals and cessation of the late reverse councils are an index to the concession made by the Government to the demands of our Committee. Unfortunately these concessions specially with regard to the reverse councils have come in a grudging manner and long after a terrible mischief was done resulting in a financial stringency of an acute character and dislocation of our export trade which it will take a long time to be put back on its old basis. The finance and tariff questions are being considered at present by the International Financial Conference sitting at Brussels from which it will be

seen that Indian questions are now no longer of a local character but form a part-and I should think an important part of international questions. Unfortunately though your Committee asked for full details regarding the terms of reference of the International Financial Conference, these details have not been supplied and we are left still in the dark regarding the exact course of work of this body excepting what little we have been able to get from the very cryptic telegrams sent by Reuter.

I do not think, Gentlemen, I should detain you longer. From what little I have said you must have seen that the work before your Committee for this year will be of a very important character requiring all your attention and concentration. Their success in coping with all these questions will depend to no small extent upon the help and co-operation you all will offer to them.

The result of the ballot for the Chairman, Vice-Chairman and the Members of the Committee for the ensuing year was then announced as follows :—

CHAIRMAN :

Mr. Lalji Naranji.

VICE-CHAIRMAN :

Mr. Hansraj Pragji Thakersey.

MEMBERS :

1. Mr. Purushottamdas Thakoredas, C.I.E.
2. ,, C. V. Mehta.
3. ,, Manmohandas Ramji.
4. ,, Jehangir B. Petit.

5. Sir Fazulbhoy Currimbhoy.
6. Hon. Mr. Lallubhai Samaldas. C.I.E.
7. Mr. Laxmidas Rowji Tairsee.
8. ,, Ishwardas Lakshmidas.
9. Sir Vithaldas D. Thakersey.
10. Mr. Motilal Kanji.
11. ,, Fazul Ibrahim Rahimtulla.
12. ,, S. R. Bomanji.
13. ,, Surajmal Lallubhai.
14. ,, S. E. Warden.
15. ,, Jamnadas Vasanji Manji.
16. ,, Jamnadas Dwarkadas.
17. ,, Jethmal Narandas.
18. ,, Manu Subedar.
19. ,, Vullabhdas Chaturbhuj Shivji.
20. ,, S. N. Pochkhanawalla.
21. ,, Mavji Govindji.
22. Sir Dinshaw Petit.
23. Mr. Kikabhoy Premchand.

A vote of thanks to the chair and the retiring committee terminated the proceedings of the meeting.

A tea-party was then given by the retiring chairman.

Report of the Committee of the Indian Merchants' Chamber and Bureau for the Year 1919-1920 Presented to the General Meeting held on the 2nd October 1920.

Your Committee have pleasure in presenting the Thirteenth Annual Report of your Chamber. During the course of the year 29 meetings were held, the work done being of a varied and important nature.

The principal subjects discussed were:

1. **Export duty of 15 per cent. on raw hides and skins with rebate of 10 per cent. if the same are exported to any parts of the British Empire:**—The Committee by telegram dated, 22nd September 1920 to the Secretary, Commerce and Industry Department, Government of India, Simla, accorded their cordial approval to the principle of the levy of Duty on the Export of raw hides and skins, but protested against the rebate of 10 °/₀ given to other parts of the Empire. In reply the Committee were informed that the bill providing for the rebate, was passed by the Legislative Council,

on the 17th September, and their attention was invited to the debates that took place in the Council, on the reasons for the rebate. It was further stated that the measure was introduced without reference to any general scheme of Imperial Preference.

2. **Prohibition of the Free Importation of Dye-stuffs.**—The Committee by their telegram, dated 22nd September 1919, protested against the restrictions imposed on the free importation of Dyes by resolution No. 6993, dated 6th September 1919. The Committee urged its immediate withdrawl on the ground, that the action taken by the Government was in the nature of a protective measure for the British Dye manufacture and that it was wrong in principle and indefensible from the standpoint of India's interests. In reply the Government of India pointed out that while contemplating such a measure, the interests of the Indian Dyeing industry were carefully considered. It was further stated that orders were issued that licenses should be freely granted for importation from foreign countries of all Dye-stuffs required by Indian consumers, when they could not be obtained from the United Kingdom or at a reasonable cost. The reply of the Committee strongly protested against the restrictions imposed by the Government of India and stated that their orders, namely, that licenses should be freely granted for importation from foreign countries of all Dye-stuffs required by Indian customers when they could not be obtained from the United Kingdom or could not be obtained at a reasonable price, were not satisfactorily carried out by the local authorities.

At last the Government of India by their letter, dated 9th March 1919 informed the Committee that the prohibition on the importation into India of Dyes and Dye-stuffs was being removed with effect from the 13th March 1920.

3. **Exemption from Income-Tax of the income derived from the manufacture of Indigo.**—The attention of the Committee was drawn to the notification exempting the indigo industry from the operation of income-tax. The Committee requested the Government of India to favour them with reasons if any for such an exemption. In reply they were informed that the circumstances which induced Government to exempt from income-tax the income derived from the manufacture of indigo were the circumstances in which that industry was then situated, and that no other industry had been similarly exempted.

The letter being placed before the Committee, it was resolved to address the Government to the effect that if they published details of the special circumstances which induced the Government to exempt the Industry from income-tax they would prove interesting to the Commercial and Industrial Community.

The Government of India in reply said that the following were the main considerations which induced them to exempt the industry from Income-tax:—

(*a*) The keen competition which the industry has to face with the production of Synthetic Indigo.

(*b*) Import duty of 30 per cent. imposed in America on the natural indigo which would

have the effect of closing the Western market for the Indian Product.

(*c*) The unsold stock of a large proportion of the crop produced during the last year.

(*d*) The incommensurability of the difficulty of assessment and the trouble of collection with the small amount which the Tax might yield.

4. **The Second Session of the Indian Commercial Congress:**— A letter was received from the Secretary, Associated Indian Chamber of Commerce, inquiring whether the Committee of this Chamber approved of the idea of holding a second session of the Indian Commercial Congress in January 1920, and if they did, whether they would be able to send delegates to the Congress. The Committee approved of the idea of holding the Second session of the Commercial Congress in January and decided to send delegates to the same if it were held.

5. **German Currency Notes:**—Mr. B. N. Anantani, by a letter, drew the attention of the Committee that several Indians in German East Africa were in possession of German Currency Notes, which were little better than worthless pieces of paper, as they did not obtain currency in the market. The Committee wrote to the Government of India with a view to know how the matter really stood. The Government of India in reply said that claims in respect of those notes should be lodged with the foreign claims office and would lie against the German Government under section 10 of Annex I to section I of part 8 of the Treaty of Peace with Germany.

6. **General landing date for Imports** —The Secretary, Bombay Port Trust informed the Committee that the general landing date system for import cargoes to the Bombay docks had been favourably reported by the Trustees' Docks Manager. He further inquired whether the experience of the members of this Chamber confirmed the Docks Manager's opinion. In reply the Committee pointed out that as the conditions of trade during the last year were more or less abnormal, the experience gained during that period of the working of the system could not be accepted as a guide for the future. The Committee further suggested that the permanent adoption of the system might be postponed to a time when the trade conditions were again restored to their normal state.

The Committee being again requested to send their opinion on the question it was resolved to disapprove of the proposed system and to inform the Secretary, the Bombay Port Trust accordingly.

7. **Holidays enjoyed by the employees of the members of the Chamber** :—A letter was received from the Government of Bombay inquiring as to what holidays were enjoyed by the employees of the members of this Chamber. The Committee sent a reply that usually they enjoyed all the Bank holidays, the Sundays, the Amavasia (the New Moon day) and some other local holidays, the number of local holidays being of course very few.

8. **Removal of the control on Food-stuffs** :—At the instance of one of the members of the Chamber the Committee requested the Government to remove the control on Food-stuffs. They were, in reply, informed that the matter

was receiving attention. The attention of the Committee was also drawn to hardships which several merchants had to suffer in obtaining a permit to buy Food-stuffs from the Punjab and Central Provinces. The Committee resolved to send a representation to the Government requesting them to remove the Inter-Provincial control on Food-stuffs for the double reason that the War crisis was over and that the monsoon was satisfactory all over India. The Government of India in reply referred the Committee to the Press communiques is sued the 30th October and 27th November 1919 and said that they were not disposed to have any further relaxations of the Inter-Provincial control on food-stuffs. As regards food-grains the export of which from India was prohibited the Committee were referred to the notification of the Government of India in the Commerce and Industry Department No. 7822, dated the 27th September 1919.

9. **Prohibition against the private import of gold:**—The Committee in their letter of the 3rd September 1919 requested the Government to remove the embargo on the private import of gold. The Government, in their letter dated 26th September 1919, informed the Committee that they were not in a position to make any announcement regarding the withdrawal of the existing prohibition on the private import of gold into India. In the letter it was further stated that they had removed the restrictions which were imposed last year on the internal movements of gold coin and bullion. The letter being placed before the Committee it was resolved to address the Government that though the removal of the restrictions on the internal movements of gold

coin and bullion, was a welcome change, it did not affect the main question of the embargo on the private import of gold into India. A representation to that effect was sent with a suggestion that even if it was not possible to make an announcement regarding the immediate withdrawal of the embargo, the Government should at least publish the reasons for continuing the same, so that the public feeling might be allayed. In reply the Government of India invited the attention of the Committee to the discussion which the Hon'ble Finance Member had with the Bengal Chamber of Commerce on the 1st September 1919. Since then all restrictions on the movements of precious metals have been removed.

10. **Indemnity from the Ex-Enemy countries** :—The attention of the Committee being drawn to a rumour that Australia was going to receive a share from the indemnity which the Imperial British Government was to receive from the Ex-Enemy countries, it was resolved to address the Government on the question.

11. **Substitution of a Calendar year instead of a Fiscal year in the publication of Statistics** :—In reply to the Committee's letter on the above questions they were informed that out of the 13 Chambers of Commerce consulted, all with the exception of one had favoured the Calendar year. The action was, however, to be deferred, until the Meeting of the Imperial Statistical Conference which was to take place in London in May 1920.

12. **Depreciation under the Income-Tax Act** :—The Government of India in their resolution No. 2551 F. requested the Committee to let them know if they (the Committee)

had any criticisms or suggestions to offer in respect of the rates p. c. proposed in the schedule which was published as an annexure to the resolution. The Committee suggested that some extra percentage allowances should be given to those factories which kept working for 24 hours in consideration of the extra wear and tear which the machinery was likely to suffer.

13. **Substitution of Cwts. and Lbs instead of Gallons. in figures for essential oils** :—The Committee being asked whether they approved of the proposed change, it was resolved to write to the Director of Statistics that they saw no objection to the change being put in force.

14. **Reduction of Railway fares** :—The Committee were informed by the Secretary, the Indian Railway Conference Association that owing to the depletion of Railway resources and the time it would take to replenish them, it was not possible to consider a reversion to the pre-war fares. It was further observed; "As regards India, the fares are still on a low scale compared with foreign countries generally and some countries are even proposing to increase their existing scale of fares."

15. **Notice of withdrawal from the International Sugar Convention**— The Committee in their letter of the 14th November 1919 requested the Director General of Commercial Intelligence to inform them whether six months' notice to withdraw from the International Sugar Convention was given by His Majesty's Government ; and whether the Government was free to discriminate between various countries regarding the imposition of duties on Sugar Imports. In reply the Committee were informed that the six months' notice to withdraw was

given by His Majesty's Government on the 7th August 1918 and that there was no discrimination between various countries regarding the imposition of duties on Sugar Imports.

16. **Representatives of the Committee of the Chamber before the Stores Purchase Committee:**—The Committee being requested by the Secretary, Indian Munitions Board, to appoint two representatives to give evidence before the Stores Purchase Committee, Messrs. Jehangir Bomanji Petit and N. M. Muzumdar were appointed as witnesses. They gave their oral evidence before the Stores Purchase Committee at the time of their visit to Bombay.

17. **Proposed Enhancement of Freights in certain cases especially on Coal:**—In view of the heavy increase in the working costs of Railways, the Railway Administrations proposed enhancement of freights in certain cases especially in that of Coal. The proposal being considered by the Committee it was resolved to oppose it on the ground that Coal being an important raw material for almost every industry its carriage for internal purposes should not be more expensive than it was at present. As regards Railway Rates generally the Committee were of opinion that no enhancement should be made until the whole question of equity and incidence of the existing Railway Rates was gone into by an expert Committee on which Indian Commercial and Industrial interests should be adequately represented. It was further resolved to send a representation to this effect to the Government of India.

18. **Revision of Rates for Foreign Cablegrams:**—The Bengal Chamber of Commerce while forwarding a representa-

tion on this subject to the Director of Posts and Telegraphs sent a copy of it to this Chamber for information and favour of support. The Committee resolved to accord their full support to the representation.

In reply the Director General of Posts and Telegraphs forwarded for the information of the Chamber a copy of the Press Communique dated the 12th February 1920 issued by the Government of India on the subject of reduction in the rate charged for foreign Telegrams to Europe.

19. **Difficulties Experienced by Messrs. Alembic Chemical Works Co. in Exporting Spirits from their Factory at Baroda.**--In reply to the representation made by the Committee regarding the difficulties experienced by the Alembic Chemical Works Co. in exporting spirit from their factory at Baroda, the Government of India agreed to permit the Import in bond in Bombay without payment of Tariff Duty of such of the Company's liquors and spirituous preparations as were intended for export by sea to foreign countries. A copy of the letter being sent to Messrs. Alembic Chemical Works Co. they requested the Committee of the Chamber to convey thanks on their behalf to the Government of India for having removed their grievances in part and to further request them to reconsider their other grievances that were not seriously considered. A further representation embodying the views of the company was resolved upon.

20. **Statistics regarding Essential Oils.**--The Committee wrote to the Director of Statistics that a fuller and a more

detailed information regarding essential oils should be published in future in the Sea Borne Trade Returns. The suggestion was approved of and the Director of Statistics forwarded to this Chamber a copy of the revised classification of essential oils which was to take effect from April 1920.

21. **Forged Endorsement of Railway Receipt.**—In reply to a letter from the Government of Bombay P. W. D. regarding a proposal to extend to Railways by legislation protection against forged endorsements of Railway Receipts a representation was made to the Government of Bombay stating that it was entirely indefensible to protect the Railway Co., delivering upon a forged endorsement especially because of the fact that the issue of railway receipts was not carried on a satisfactory manner nor were all the attendant circumstances satisfactory. It was further urged that if any change was contemplated in the existing law, the Government would do well to introduce some such safeguards as were recommended by the Cotton Contract Board.

22. **Bill to Amend the Workmen's Breach of Contract Act:**—The Government of Bombay being desirous to know the views of the Chamber on the provisions of the Bill noted above, the Committee expressed their views stating that it was high time for the Government of India to consider the advisability of repealing the Act altogether. In the alternative it was suggested that if the Bill passed into law it should be made applicable only to those industries which in the opinion of the Local and Imperial Governments needed such protection.

23. **The question of wages census in the Bombay Presidency:**—The Committee being requested by the Government of Bombay to forward their views regarding certain proposals made by the Director of Statistics, they approved of the general suggestion to collect annual statistics with regard to wages and suggested that a comprehensive volume giving all the elaborate statistics should be issued every year with an abridged quarterly publication giving all the important and available statistics.

24. **Offer of a Donation of Rs. 10,800 from the amalgamated 71 commercial Associations:**—At a meeting of the representatives of 71 commercial bodies associated for the purpose of protesting against the rules framed by the Government under the revised Income Tax Act 1918, the question of disposing the balance of the fund was discussed and it was resolved that the balance (about Rs. 10,800) be handed over to the Chamber on the understanding that it would hereafter from time to time correspond with the Government in the matter of Income Tax, Super Tax and Excess Profits Tax difficulties which might arise in future and advise the members of the 71 associations regarding all other technical difficulties about them. A letter to this effect being received from the Secretary, the Bombay Native Piece goods Merchants' Association it was resolved to thankfully refuse the donation on account of the onerous conditions accompanying it.

25. **Collection and publication of statistics relating to Spirituous Medical Preparations:**—The Director of Statistics sent to this Chamber a copy of his letter addressed to all Local Governments and Administrations enclosing a

sample form under which Statistics relating to Spirituous Medical Preparations were henceforward to be collected. The Committee resolved to express their thanks to the Director of Statistics for accepting their suggestion.

26. **Representative of the Committee at the periodical meetings to advise the Collector of Customs regarding applications for the grant of Licenses for the Import of Dyes from foreign Countries** :—At the interview of the Hon'ble Sir George Barnes with the Committee of this Chamber, which took place on the 26th November 1916, the subject of the import of Dyes was discussed and it was proposed to hold periodical meetings of certain interested parties to advise the Collector of Customs on the subject. It was further agreed that this Chamber should send one representative to these meetings. The Collector of Customs, accordingly, having requested the Committee to send one representative, it was resolved that Mr. Surji Vallabhdas be appointed as the representative.

27. **Classification of Joint Stock Companies in India** :—A letter was received from Director of Statistics enclosing a tentative statement of the classification relating to Joint Stock Companies in India. For a comparative study of the proposed classification-scheme, the following three statements were also enclosed : —

Statements showing :

(*a*) The Classification as adopted in India.

(*b*) The Classification adopted in the United Kingdom.

(c) The Classification adopted by the International Statistical Institute of the Hague.

The criticisms of the Chamber being invited, a Sub-Committee was appointed to consider the question. On the recommendations of the Sub-Committee the Committee of the Chamber approved of the proposed classification and further suggested to the Director of Statistics that the classification No. 3 Sub-classification No. F. should be made more comprehensive by adding the words "Gas and water" before "Electric lights etc."

28. **Amalgamation of the Indian Commercial Congress with the Indian Industrial Conference:**—The Secretary of the Associated Indian Chamber of Commerce wrote to this Chamber suggesting that the Indian Commercial Congress be amalgamated with the Industrial Conference and that a Joint Session be held in Bombay in the latter part of January 1920. The Committee of this Chamber approved of the proposed amalgamation.

29. **Conditions of tender for the supply of stores to the Government of Egypt:**—A volume containing the conditions of tender and the list of articles required by the Stores Department being received by this Chamber it was resolved to circulate the information amongst the members of this Chamber by means of a circular letter.

30. **Rouble Note ordinance No. 7 of 1919:**—Messrs. O. H. Nazar and Surajmal Lallubhai, members of this Chamber, drew the attention of the Committee to the Ordinance noted above. The Committee by way of giving a

ready response to the general consternation created by the Ordinance resolved to send a telegram of protest to the Government of India. The Government of India in reply forwarded for the information of the Committee a copy of the communique issued by the Government of India on the 22nd December 1919. The Committee however not finding the communique to be sufficiently explanatory of the points raised by them in their telegram of protest, further resolved to address the Government to be favoured with a more detailed reply on the question. In the meanwhile a requisition was received from Messrs. W. T. Halai and others to convene a special general meeting. It was resolved that the question be further taken up at the quarterly general Meeting to be held on the 10th January 1920. The requisition was recorded.

31. **Charging of Extra wharfage fees by the Port Trust Railways, Bombay**:—Messrs. H. J. Hormasji & Sons drew the attention of the Committee of this Chamber to the unjust practice noted above on the part of the Port Trust Railway. The manager Port Trust Railway also forwarded to this Chamber a copy of the explanatory letter addressed by him to Messrs. H. J. Hormusjee & Sons. Both letters being placed before the Committee, it was resolved to ask Messrs. H. J. Hormasjee & Sons whether they found the explanations of the company to be satisfactory.

32. **Shortage of Railway Wagons**:—In reply to the Committee's letter on this question they were informed by the Hon'ble Member for Commerce and Industry, Government of India, that their letter was forwarded to the Railway Board for consideration.

The Committee were informed by the Railway Board that a meeting of the representatives of Railway was to be held very soon at which the question of shortage of wagons would receive special consideration. It was resolved to send for further details and to ask why the Committee were not consulted beforehand. In reply the Committee were informed that as the discussion on the question of the supply of Railway wagons was likely to be of a technical nature, the Government did not think it advisable to invite representatives from the commercial bodies. The letter was recorded.

33. **Civil Aviation in India:**—The Committee being requested to forward their views on the question noted above, a representation embodying the views of the Chamber was made to the Government of India. The Committee while agreeing in general with the scheme as laid down in the Government letter suggested that the Government of India would do well to consider the views of Mr. Rathbone as embodied in the debates of the House of Commons on the 4th August 1874 when the contract with the P. & O. Steam Navigation Co. was to be confirmed.

34. **Increase in the "Karodgari" Tax in his Exalted Highness the Nizam's Territory:**—Messrs. Thakersey Mulji & Co. drew the attention of the Committee to the increase of the tax noted above. As the tax was to be levied on cotton exported from the dominions of His Exalted Highness the Nizam it would sell very dear to the buyers abroad. The Committee resolved to address the Department of Commerce and Industries of His Exalted Highness the Nizam praying for the removal of the tax. We

however learn through the proceedings of the Upper India Chamber of Commerce that the Political Department of His Exalted Highness the Nizam's Government in a letter dated 15th March 1920 intimated that it had been decided to grant a rebate on all purchases of cotton made in the Hyderabad State before 12th December 1919 provided the exporting parties satisfied the Inspector General of Customs with documentary evidence. The Committee have also been very lately informed that a Tariff Commission is appointed by the Nizam's Government for purpose of considering the question generally.

35, **Welcome to the Right Hon'ble Lord Sinha and the Hon'ble Mr. Basu:**--Mr. V. P. Vaidya put forward a proposal before the Committee to entertain the Right Hon'ble Lord Sinha and the Hon'ble Mr. Bhupendranath Basu with an After-noon party, on their arrival in Bombay. The proposal being placed before the Committee, was unanimously accepted. It was further resolved to request them by a telegram to accept the invitation, and to fix the day and time that suited their convenience. A Garden Party was given to them on the 15th January.

36, **The Colouring of Currency Notes:**--The Government of India in their letter No. 8683 of the 29th December 1919 proposed certain new designs for currency notes with a view to differentiate their various values. It was suggested by them that the use of blue colour might prove unpopular as it was regarded amongst the Hindus as an inauspicious colour. It was resolved to inform the Government of India that dark blue would no doubt be considered inauspicious by the Hindus but that there

would be no objection to having light blue or sky blue colour of notes.

37. **Holidays Enjoyed under the Nagotiable Instruments Act:-** The total number of holidays enjoyed under the Act being 28 in number and the interruption of the work on so many occasions being found undesirable by the Government of Bombay they proposed a reduction in the number of such holidays. The opinion of the Committee being invited on the point it was resolved to inform the Government that in their opinion it was not desirable to reduce the number of holidays enjoyed under the Act.

38. **Recommendations of the Indian Industrial Commission on the Collection of Commercial Intelligence:-** The Government of Bombay forwarded a copy of a letter from the Government of India on the subject of the Indian Industrial Commission's recommendations relative to the collection of Commercial Intelligence. It was resolved to support the views expressed on the point by the Government of India.

39. **Bill to amend the law relating to Government Securities :—** The Government of India forwarded a copy of their letter addressed to the Local Governments and Administrations regarding the amendments which the Government of India proposed to make in the existing Law relating to Government Securities. It was resolved to write to the Government that the Committee approved of the amendments proposed to be made in the existing Law on the subject.

40. **Grant of Monopoly of the Khapoli Tail Water to the Khapoli Land Co:—** The attention of the Committee was drawn

to the Pressnote No. 15298 published in the Supplement to the Bombay Government Gazette of the 8th January 1920 regarding the grant by the Government of Bombay of the monopoly of the tail waters of Khapoli to the Khapoli Land Company. The Committee protested strongly against the proposal and requested the Government to be pleased not to proceed with the scheme, at least not before the public was allowed a full opportunity for going into the whole question and discussing it with the members of the Government through a deputation or otherwise. It was also stated that in view of the enormous industrial possibilities of the area and the water power available, the Government would be pleased ultimately to drop the proposal. In reply the Committee were informed by the Government of Bombay that they had already fully considered the effect of the monopoly and had advisedly decided to create it with a view to the fullest utilisation for industrial purposes of all the water available. It was also stated that if any of the members of this Chamber had in view any water-needing industry, they had only to apply to the Company which had every interest in developing the area and utilising all the water as soon as possible. The Committee in reply, wrote that they were sorry that the information asked by them was not supplied and that the Government reply contained merely a self-evident proposition. In reply to this representation to the Government, the Committee were informed that it was never the intention of Government to penalise industries by charging a full price for the water as suggested by the Chamber and the Mill-owners'

Association. It was also stated that the Government after full consideration of our representation did not propose to abandon their intention to create in the most effective way a most valuable industrial area in the general public interest. In this connection a further representation to the Commerce and Industries Department, Government of India, was resolved upon and in reply to that representation of the Committee, they were informed by the Board of Industries and Munitions that their representation was sent to the Bombay Government for report on the due receipt of which it would be laid before the Government of India for consideration.

41. **Issue of licenses by the Collector of Customs for the import of dyes:**—In reply to the Committee's letter dated 27th December 1919 on this subject they were informed that where the quantity supplied by the British manufacturers was insufficient or where the foreign rates were substantially lower, licenses were as a rule issued. On the recommendation of the Dye-Stuffs Sub-Committee, it was resolved to write to the Collector of Customs again pointing out that the words "Substantially lower rate" occurring in his letter were vague and that the question of the sufficiency of supply by British manufacturers was not taken into account in all cases.

42. **Government Notification No, 658 D. dated 20th December, regarding relaxation of Import Prohibition,**—The notification being placed before the Committee it was resolved to write to the Commerce and Industry Department, Government of India, that India should get a share in all the varieties of Dyes Great Britain

may obtain from Germany under the Reparation clauses of the Peace Treaty.

43. **Tariff Valuation of Sugar.**--A letter was received from the Government of India with an extract from a letter from the Director General of Commercial Intelligence, on the subject of the system for the valuation of sugar for import duty. In the letter it was also stated that the Government of India, had agreed to the suggestion of the Director General that for the purpose of fixing the Tariff Valuation of Sugar imported into India, Java 23 Dutch Standard and above should be accepted as the standard grade by reference to which the other grades would receive their values by means of fixed margin. This letter was recorded.

44. **Restrictions upon the Export of Onions.**--The attention of the Committee was drawn to a rumour that the Government of India were about to remove the restrictions on the export of onions. Onions being one of the staple foods of the poor it was resolved to send a representation to the Government of India to the effect that if the embargo on exports of onions from Bombay was to be removed it would entail hardships on the poorer classes who considered them as a necessity of life. In reply to the representation made by the Committee they were informed by the Government of India that they had decided to continue the restrictions on the export of onions from the port of Bombay.

45. **The Indian Jails Committee :**--A letter was received from the Government of Bombay, Judicial Department, forwarding a copy of the paper of interrogatories framed by the Indian Jails Committee which was to visit Bombay

from 8th to 13th March 1920. The Committee of this Chamber were requested to send a representative to give oral evidence before the Committee. They were also requested to place their views before the Jails Committee with regard to question No. IX on the question of labour for prisoners. It was resolved to write to the Government that the Committee in general agreed with the views expressed in the Report of the Indian Industrial Commission on the subject and to depute Mr. N. M. Muzumdar as their representative for giving oral evidence.

46. **Letter regarding shortage in the consignments of cloth and yarn from the Mills at Burhanpore** :—A member drew the attention of the Committee to the difficulty experienced by them in recovering compensation from the G. I. P. Railway Company for the shortage of consignments of cloth and yarn sent by them to different centres of India. The Committee accordingly sent a representation to the G. I. P. Railway asking that the party aggrieved should be paid adequate compensation. The General Traffic Manager in reply informed the Committee that a pay order for Rs. 505-13-2 was issued in favour of Burhanpur Tapti Mills. It was resolved to send a copy of the letter to the party concerned.

47. **Report of the Currency Committee** :—A Finance Sub-Committee was appointed to consider the report.

The report having been discussed by the Finance Sub-Committee it was resolved to draft a representation pointing out the unsatisfactory character of the report. A representation was accordingly drafted by the Finance Sub-Committee, which on being approved by the Committee was sent to the Government of India.

48. **Extraordinary rise in the Post Office and Bank Exchange Commission on remittances to India :** A letter to this effect was received from the Hon'ble Mr. Alladina Vishram (East Africa) and also from several local merchants. It was resolved to send a telegram to the Government of India requesting them to supply this Chamber full details regarding depreciation of rupee currency in East-Africa. In reply the Committee were informed that an announcement on the subject was published in the London Times of the 13th February.

49. **A Prize of £ 1000- for the best monograph on the present Currency and Exchange position :** Mr. S. R. Bomanji, a member of this Chamber, placed at the disposal of the Committee a sum of £ 1000 to be given as a prize to the writer of the best monograph on the present Currency and Exchange position. The Committee thankfully accepted the offer and resolved to circulate the same by a press-note in all the leading newspapers of India.

50. **A public meeting to protest against the Currency and Exchange policy of the Government of India :** It was resolved to hold a public meeting under the auspices of this Chamber, to protest against the Currency and Exchange policy of the Government of India. A public meeting was accordingly held on the 20th March 1920, in the Excelsior Theatre under the presidentship of Mr. Jehangir Bomanji Petit, the Chairman of this Chamber.

51. **The Indian Sugar Committee :**—A letter was received from the Secretary the Indian Sugar Committee inviting the Committee of this Chamber to nominate a representative to give evidence before the Sugar Committee. A list of questions prepared for the guidance of witnesses

was also enclosed with a request that the representative of this Chamber should forward a written statement of the Chamber's views on those matters on which the Committee desired to offer information and opinion. It was resolved to appoint the Hon'ble Mr. Lallubhai Samaldas as a representative of the Chamber to give evidence befote the Sugar Committee.

The Hon'ble Mr. Lallubhai Samaldas, while giving evidence, on behalf of the Chamber, before the Indian Sugar Committee dwelt mainly on the following points:—

1. Water Logging:—He remarked that the water-logging naturally resulted in a deterioration of the soil. As a remedy he suggested the use of a reliable metre.

2. Increased water rate:—On this point the Hon'ble Mr. Lallubhai Samaldas remarked that the water rate which had increased by 100 p. c. under the Block system and from 20 p. c. to 45 p. c. per annum outside the Block System should at least be reduced to Rs. 45 & 35 respectively till the water-logging and salt efflorescence were removed.

Finally he dealt with the present 10. p. c. duty on imported sugar, and said that a considerably higher import duty on sugar was necessary till the industry had established itself in the country. He further urged a differential import duty in the case of raw sugar, and said that such sugar ought to be allowed to come in at a lower rate in order to encourage the refining industry within the country.

52. **Reduction of Telegraphic charges between India and Aden and other Arabian Sea-ports :** A proposal was received from one of the members of the Chamber, that in view of the general reduction announced in Overseas Telegraphic charges from Re. 1-8-0 to Re. 1 per word for cables between India and the United Kingdom, the Committee should suggest to the Government of India to reduce the charges for telegrams between Bombay and Aden and other Arabian Sea Ports. The Committee resolved to write to the Government of India that as a large portion of the commerce of Bombay was with Aden and the Arabian Sea-ports, the burden of telegraphic charges for those ports should also be proportionately reduced. In reply to the representation made by the Committee to the Director-General of Posts and Telegraphs they were informed that the reduction in rates for telegrams to countries other than Europe would take effect from the 7th June 1920 when the rate for the telegrams between India and Aden would be reduced from one Rupee per word to thirteen annas per word.

53. **Delay in the delivery of gold by the mint authorities at Bombay:**—A letter was received from one of the members of the Chamber complaining about the delay in the delivery of gold. It was resolved to address the Government of India enclosing a copy of letter received by the Chamber. In reply the Committee were informed that as the amount of gold offered at each sale was determined with reference to the capacity of the mints to make delivery and as the quantity then offered viz 1¼ million tolas was estimated as the quantity which the mint could arrange to deliver in a fortnight, it

followed that if gold sold was to be delivered within two or three days, the quantity offered at each sale would necessarily have to be cut down. It was further stated that the matter was being enquired into and that any feasible steps for quickening deliveries would be taken.

54. **Colonisation in German East Africa:**—The attention of the Committee was drawn to the paragraph published on page 16 of the Indian Trade Journal of the 2nd April 1920 on the question of Indian Colonisation in German East Africa. The publication quoted above stated that the advice of the Upper India Chamber of Commerce was sought by the Local Government there, on three specific points in connection with colonisation of Indians in East Africa. It was resolved to write to the Government of Bombay if they were consulted on the point and if so whether the opinions of the different Chambers of Commerce in this Presidency were invited. They further requested the Government of Bombay to furnish with all the details relating to the three specific points referred to above. In reply a letter was received from the Government of Bombay stating that Government had the following questions under consideration in connection with the proposal of Indian Colonisation in German East Africa.

1.—Whether from the point of view of India it was desirable and practicable to attempt an organised scheme of settlement.

2.—How far a suitable type of agriculturists, ex-service men or others would be attracted by the prospects of free settlement in the territory.

3.—Whether Government should encourage such Colonisation and how far they should give financial assistance.

It was resolved to refer the question to the East African Sub-Committee. On the recommendations of the Sub-Committee it was resolved to ask information on the following points before sending a detailed reply to the Government.

I.—Where is it proposed to locate Indians, in swampy lands or uplands ?

II.—Is there going to be any differential treatment with regard to the location of Indians and Europeans ?

III.—All the details concerning the territory, the situation, the locality where Indians are proposed to be settled; its climatic conditions etc.

The Government of Bombay sent the following information in reply.

1.—The proposal is to set apart some area or areas sparsely inhabited by natives but suitable for colonization, as a reserve where Indians could practise their traditional methods of agriculture under a method of small holdings.

2.—The Government of Bombay understand that the terms of the African Mandates will contain clauses securing to all subjects and citizens of all states which belong to the League of Nations of which India is an original

member, the same rights as are enjoyed by the nationals of the Mandatory in respect of entrance, residence, prohibition, the holding of property and exercise of professions or trades, and complete economic, commercial and industrial equality. The terms of the mandate will also include a provision that throughout the whole territory Indians shall be treated on a footing of exact equality with Europeans in respect of their political, social, and economic status.

3.—Indian agriculturists of a good type should be welcomed in East Africa in the parts where the climate is sub-tropical. Nothing is yet definitely known about the geographical conditions of the territory. An expert examination will no doubt be made before final decision is arrived at. The letter being placed before the committee it was resolved to send for the views of Mr. C. F. Andrews on the point and then to send reply to the Government.

55. **Repeal or Amendment of Section 91 B of the Indian Companies' Act:**—The Government of Bombay invited the views of the Committee on this subject. The Committee in reply said that they approved of the proposal to repeal or amend the section as suggested in the Government letter.

56. **Proposed advalorem duty on the nominal capital of Companies registered under the Indian Companies' Act:**—The Government of Bombay invited the views of the Chamber on a

proposal put forward by the Government of India to impose an advalorem duty of ¼ p. c. on the nominal capital of all Companies registered under the Indian Companies' Act in addition to the Registration and Stamp fees. The Committee in reply while disapproving of the proposed levy said that they were unable to understand the force or cogency of the arguments advanced by the Government of India. They further remarked that if the measure was adopted it would have the effect of penalising the floatations even of good and substantial companies for the sake of a few bogus and unsound ones and would ultimately impede the growth of commercial and industrial enterprise throughout the country.

37. **Quality, Shipment etc of Japanese goods:**—With a view to effect improvements of Japanese goods imported into India in respect of their quality, shipment, manner of packing etc, the Consul for Japan wrote a letter requesting the Committee to give their opinion on the points referred to above. The Committee in reply pointed out the ordinarily low and poor quality of Japanese goods and observed that it was high time for Japanese merchants to improve their business morality.

38. **Official Regulations in Uganda regarding Plague:**—A letter was received from the Hon'ble Mr. Purshottamdas Thakoredas enclosing a copy of the Uganda Herald dated the 15th January 1920 and drawing attention to the Official regulations regarding plague. Under the regulations the Europeans were exempt from compulsory inoculation while the Indian subjects resident in Bri-

tish East Africa has to undergo compulsory inoculation before travelling out of the Township. As that sort of treatment amounted to an insult to and an unnecessary hardship on the Indians it was resolved to send a representation to the Government of India protesting against the said regulations.

59: **Proposed legislation to meet the prevalence of petty thefts in industrial districts**:—A letter was received from the Government of Bombay, Judicial Department, requesting the Committee to send their opinion on the proposal of the Government of India regarding the question noted above. As in the case of pilfering of goods such as jute, grain, salt, sugar, coal etc, which could not easily be identified, it was found very difficult to obtain convictions under the ordinary law, it was proposed to enact some special legislation on the lines of section 54-A of the Calcutta Police Act 1866. As the effect of the proposed legislation was to shift the burden of proof from the prosecution to the defence it was resolved to oppose it at least so far regards the Bombay Presidency.

60. **Delay in foreign telegrams**:—Messrs. Cursetji Bomanji & Co. drew the attention of the Committee to the hardship which the merchant class as a whole had to suffer from the unusual delay in Foreign telegrams. They further suggested to the Committee to recommend to the Government of India to introduce an express service in addition to the already two existing services namely ordinary and deferred. It was resolved to send a representation to the Government of India, asking whether the addition of an extra ex-

press service would not minimise the hardships caused by delay in foreign telegrams.

In reply a letter was received from the Director General of Posts and Telegraphs enclosing for the information of the Chamber an extract from a letter dated the 13th January 1920 from the General Superintendent, Eastern Telegraph company giving list of works that were being undertaken by the cable companies with the object of reducing delays in Indian Traffic. In the letter it was further stated that the express and urgent services were introduced in India with effect from the 25th March 1920.

61. **Leakage in consignments of arms and ammunition imported into British India from abroad:**—With a view to prevent the leakage referred to above it was suggested by the Government of India through the Government of Bombay that all arms and ammunitions imported by dealers in British India from abroad should be packed in iron drums of sufficient strength to defy all ordinary attempts to open them and should be shipped in vessels having a lockfast safe. The Committee ascertained the views of the merchants concerned before writing to the Government of Bombay. The arms and ammunition merchants disapproved of the proposed system of packing as it would involve heavy packing charges per consignment. In their view the present system of packing was satisfactory enough. It was resolved to send a reply embodying the above views.

62. **India's share in the Reparation Dyes:**—A letter was received from the Government of India stating that all the Alizarine dyes and 15 per cent of the other kinds of dyes obtained by the United Kingdom from Germany

under the Peace Treaty were allotted to India. On the recommendations of the Dyes and Chemicals sub-Committee it was resolved to write to the Government of Bombay with regard to the arrangements that were to be adopted for the distribution etc. of those dyes and to the Government of India with regard to further details on the question.

In reply the Committee were informed by the Government of Bombay that the distribution would be made by the Director of Industries and that further details might be learnt from him. The Committee wrote to him enquiring whether any, and if so, what arrangements were arrived at regarding the distribution of Reparation Dyes.

It was also resolved to write to the Government of Bombay that in the interest of consumers the work of distribution might be entrusted to the Director of Industries assisted by a Committee consisting of one representative from each of the following Chambers and Associations.

1. The Bombay Chamber of Commerce.
2. The Indian Merchants' Chamber and Bureau.
3. The Bombay Mill-owners' Association.
4. The Ahmedabad Mill-owners' Association.

In reply to the representation made by the Committee as resolved above they were informed that as the quantity was small and as the firm (Messrs. Latham Abercrombie and Co.,) was also distributing the little consignments which arrived from time to time, Government considered that the arrangement in force was

satisfactory and that there was no need for the appointment of a committee to help the Director of Industries. The Committee in reply further requested the Government to reconsider the matter and to appoint a committee, as suggested by them in their original letter. In reply they were informed that India's share of the reparation alizarine dyes had already been received and distributed and that the actual quantity received represented so small a fraction of the demand that no appointment of a committee could have prevented complaints from various quarters. It was resolved to again address the Government of Bombay stating that it was a matter of great disappointment and regret that the procedure suggested by them was not followed in the distribution of alizarine dyes. It was further resolved to urge strongly that in future when the question of distribution again came up before the Government their recommendation regarding the appointment of an advisory committee should be more seriously considered.

63. **Imperial Preference:**—The attention of the Committee being drawn to the appointment of a Committee of the Imperial Council to report on the question of Imperial Preference, it was resolved to send a telegraphic representation protesting against the appointment of the Committee. A telegram was accordingly sent to the Commerce and Industry Department, Government of India, stating that the Committee appointed should under no circumstances go beyond conducting a preliminary survey of the statistics relating to the question.

64. **Letter from the Secretary, the Bombay Cotton Brokers' Association:**—A letter was received from the Secretary of the above Association forwarding a copy of the resolution

adopted at the Extraordinary general meeting of the members of the Cotton Brokers' Association held on 23 rd February 1920. It was resolved to request the Secretary to furnish the Committee with a draft of the representation which the Cotton Brokers' Association proposed to make to the Government. It was further resolved that as the Bill was going to be reconsidered in July next the Committee would think it premature to give their views before that date.

65. **The proposed revised system of Pre-Audit payments in Account Offices** :—A letter on this subject wrs received from the Government of Bombay. The proposed system being in general a wholesome improvement on the existing one it was resolved to approve of the same.

66. **The amount of remittances sent from India to England through the Post Offices** :—A telegram was sent to the Commerce and Industry Department. Government of India requesting for imformation as to what was the exact amount of remittances sent from India to England through the Post Offices from the beginning of the year. In reply the Committee were informed as follows :

The total number and value of sterling money orders drawn in India and Burma on the United Kingdom in the month of January and February:—

	Number	Value.
January	18310	£126,220.
February... ...	42505	£864,000.

In the letter it was further stated that it was not possible to give the figures showing remittances by

means of British Postal Orders as such orders were payable not only in the United Kingdom but in all British possessions and Colonies including India.

67. **Proposal to amend the Negotiable Instruments Act with a view to providing for delay or non-presentment for payment of negotiable instruments**:—A letter was received from the Finance Department, Government of Bombay, requesting that they might be favoured with the opinion of the Committee on the above subject. The Committee approved of the amendment of the Act as proposed.

68. **Donation to the Chamber**:—Mr. Walchand Hirachand, a member of the Chamber offered Rs. 500 (five hundred) towards the purchase of reference books for the library of the Chamber. The Committe resolved to accept it with thanks and to order out books as desired after consulting the members.

69. **Resolutions passed by Southern India Hide and Skin Merchants' Association**: A copy of the resolutions passed at the second Annual General Meeting of the above association was sent to this Chamber by the Secretary of that Association for information and favour of support. The Committee resolved to send for the opinion of some local merchants regarding the said resolutions and then take up the matter in the light of the opinion received. The opinions of the local merchants not being quite favourable it was resolved to record the whole correspondence.

70. **Critical position of Indians in East Africa**:—A letter was received from the Hon'ble Sir Fazulbhoy Currimbhoy requesting the Committee to send a telegram of protest

to the Government of India regarding East African grievances. The Committee accordingly sent a telegram to the Government of India pointing out the regrettable attitude of the Colonial Office especially the non-committal reply of Lord Milner to the members of the East African Indian Delegation. The Government of India in reply informed that the question had for some time past engaged their serious attention and that they were in constant communication with the Secretary of State on the subject. In view of the critical situation prevailing in East Africa it was resolved to appoint a sub-Committee to organize a public Meeting.

71. **Special Committee's report on the establishment of a Chemical Service for India** :—A member of this Chamber drew the attention of the Committee to the unsatisfactory nature of the report of the special committee appointed to make recommendations regarding the establishment of a Chemical Service for India and recommended that the establishment of such a service be opposed. It was further stated that in the note of dissent attached to the publication by Sir P. C. Ray a strong case was made out against India having such a service. In the light of the above recommendation of Sir P. C. Ray the Committee were requested to requested the Government not to take any action on the report till the new councils had met. A Sub-Committee was appointed to go into the whole question and a representation was sent to the Government.

72. **Public Meeting held in Madras to protest against the Currency policy of the Government of India**— A copy of the resolutions passed at the public meeting was sent to this

Chamber by the President with a request that the Committee of this Chamber would co-operate in the matter of sending a deputation to H. E. the Viceroy to protest against the present Exchange and Currency policy of the Government of India. The Committee resolved to send for the views of the other Indian Chambers of Commerce and then to communicate with the Private Secretary to H. E. the Viceroy regarding the proposed deputation.

In view however of the altered circumstances it was resolved to abandon the idea of sending a deputation to H. E. the Viceroy.

73. **Representation of the Chamber on the Bombay Legislative Council and the Indian Legislative Assembly:**—Under the new Reforms Act the Chamber having got the privilege of sending one representative to the Bombay Legislative Council and one to the Indian Legislative Assembly it was resolved to frame rules and regulations regarding the said elections and to appoint a sub-Committee for the purpose.

74. **Enfranchisement of Indian State Subjects:**—A representation was made to the Reforms Commissioner, Poona, stating that the disability imposed by Rule 7 (1) of the Government of India rules would work very unfairly and inequitably in the case of general constituencies and in the case of special constituencies like the Chamber, especially in view of the fact that such Indian State subjects paid all the taxes of British India and were amenable to all the laws thereof. In conclusion it was stated that if the Government was unable to accede to the request of the Committee, they

would like to send a deputation to wait upon His Excellency the Governor in Council and to explain the whole situation to him and the Council. In reply it was stated that the decision of the Government was arrived at after giving the matter careful consideration and after it had received the support of the majority of the Non-Official Advisory Committee.

At last however in view of the representations made by various public bodies His Excellency the Governor in Council decided that rulers and subjects of Indian states who were otherwise qualified under the Electoral Rolls should be eligible as voters for the Bombay Legislative Council under Rule 7 (1) and that subjects of Indian states otherwise qualified should be eligible to become members of the Council under Rule 5 (1) and 18 (1).

75. **Chambers' representation on the Council of State:**—A telegram was sent to the Government of India, Reforms Department, thanking them for the privileges given to the Committee of returning a representative to the Bombay Legislative Council and the Indian Legislative Assembly regretting at the same time that unlike the English and foreign commercial interests, they (Committee) were not given a similar right of election to the Council of State. In reply the Government of India explained that Indian Commerce was intended to have special representation on the Legislative Assembly and European Commerce on the Council of State as would be seen from the draft rules published for general information.

76. **Appointment of Sir Fazulbhoy to the Imperial Economic Conference:**—In this connection it was resolved to write to the

Government of India expressing regret at the policy of "nominating" representatives of India at the International Conferences having been again followed with regard to the selection of a representative of this country at the International Economic Conference. It was hoped that in future the policy of nomination would be abandoned and that of election adopted instead.

77. **Representative of the Chamber on the Bombay Port Trust:**—Mr. Manu Subedar, Representative of the Chamber of the Bombay Port Trust, obtained from the trustees leave of absence from the meetings of the Board for 4 months. The Hon'ble Mr. Purshottamdas Thakoredas was appointed a Trustee of the Port Trust during the absence of Mr. Manu Subedar.

78. **Indian situation in East Africa and Fiji.**—A letter was received from the Secretary, the Imperial Indian citizenship Association, inviting the Chamber to join in calling a public meeting of the citizens of Bombay to give expression to the Indian public opinion on the Indian situation in East Africa and Fiji. The Chamber was further requested to send representatives to co-operate with the Sub-Committee that was appointed for the purpose. It was resolved to appoint Messrs. Sorabji Edulji Warden and Mavji Govindji Sheth as Chamber's representatives on the Sub-Committee.

79. **Views of the Chamber on the recommendations of the Indian Cotton Committee:**—A letter was received from the Government of Bombay forwarding for the information of the Chamber, the views of the Government of India on certain recommendations of the Indian Cotton Committee. It was resolved to refer the matter

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to the Cotton Sub-Committee for their opinion. A draft embodying the views of the Sub-Committee was received which was resolved to be sent to the Government of Bombay after some modifications. While agreeing in the main with the several recommendations, the Committee pointed out:—

(I) That gins and presses should not be brought within the provisions of the Indian Factories Act.

(II) That the constitution of the Central Committee was not quite satisfactory.

(III) That prohibition should be placed upon the transport of the "Kapas" from one district to the other to prevent adulteration provided such a transport was not carried by *bona fide* consumers.

80. **Amendment of the Indian Carriers' Act III of 1865:**—A letter on this subject was received from the Government of Bombay. The present law on the subject as embodied in sections 3, 4 and 8 of the Act was that although a common carrier was not liable for the loss or damage of property of a certain description above one hundred rupees in value unless the value or description thereof were expressly declared by the person delivering them to be carried and although the carrier was entitled to charge a higher rate for such properties, he was liable for the loss of or damage to such property if such loss or damage arose from the negligence or criminal act of the carrier or of any of his agents or servants. The amendment proposed was that Section 8 and 9 of the

Act should be amended so as to provide in the case of scheduled articles not declared under section 3 that the carrier while retaining his present liability in the event of a criminal act should be freed from liability for the loss or damage arising from the negligence of the carrier or his agents or servants. The amendment being likely to relieve the shipping Companies from a part of their present liabilities without entailing any unnecessary hardship on the passengers it was resolved to approve of it.

81. **Indian Railway Conference-Association:**—A letter was received from the Secretary of this Association informing that the next meeting of the Traffic Committee of the Association was to be held in Bangalore commencing from Monday the 28th June 1920 and asking for suggestion if any from the Committee. The Committee in reply said that there was a rumour that the question of the increase of rates for goods and passenger traffic was to be discussed at the Conference, and that if that was the case they would like to urge that the question should not be considered without consulting the Commercial public. In reply to this they were informed that there was no question of a general increase in rates and fares before the Traffic Committee nor was it within the powers of the Committee to make any alterations in rates.

82. **The Finance and Currency Policy of the Government of India:**—In reply to the representations made by the Committee from time to time a letter was received from the

Finance Department of the Government of India with following remarks:—

(1). That in reply to all the representations they had to refer them (Committee) to the Notification of the Finance Department No. 369 —F dated the 2nd February 1920 and that they had nothing to add to that announcement.

(2) That they have noted the Committee's protest against the sale of Reverse Councils.

(3) That the Government of India have decided to publish the names of successful applicants and the amounts allotted to them.

(4) That the publication of the names of unsuccessful applicants might be regarded by them as being open to objection.

(5) That they would most emphatically deny the application suggested in the Committee's letter that preference was given to European over Indian applicants.

It was resolved to write to the Government that in view of the altered circumstances the question of reconsideration of the recommendations of the Currency Committee might be considered and that they (Committee) saw no objection to the publication of the names of unsuccessful applicants of Reverse Councils.

83. **The Gujerat Hosiery Factory:**—A letter was received from the proprietor, the Gujerat Hosiery Factory to the effect that he was charged with customs duty of 7½ per cent. on knitting needles used in his factory while he

ought to have been charged with a customs duty of 2½ per cent. only as the needles were used for a power machine and not a hand machine. Correspondence was carried on with the Collector of Customs and the matter is still not decided.

84. **Reconsidering the Currency Report:**—The Finance Sub-Committee of the Chamber had made the following two recommendations for the consideration of the Committee.—

I.—That in view of the altered circumstances the Government of India may be requested to reconsider the recommendations of the Currency Committee.

II.—That the Government of India may be asked the following questions:—"Will the Government sale of Council Bills in London be based upon two shillings gold or sterling and if the latter be the case at what rate the same be offered when a demand arises for Council Bills?

Both these recommendations of the Sub-Committee were approved of and it was resolved to address to the Government of India requesting them to reconsider the suggestions made by the Currency Committee, and to supply information with regard to the question given above.

85. **Stamping of Insurance Policies:**—A letter was received from the Government of Bombay, Revenue Department, enclosing a copy of a letter from the Karachi Chamber of Commerce on the proposal to permit the use of

revenue adhesive stamps for stamping policies of Insurance. It was resolved to approve of the proposal.

86. **The revised Australian Tariff:**—The attention of the Committee was drawn to the revised Australian Tariff under which India did not get the benefit of the Imperial Preference. A representation was accordingly made to the Government of India and in reply the Committee were informed that as the Report of the Committee on the Imperial Preference was under consideration of the Government of India, they were of opinion that pending their consideration of the said report it was no use to move the Australian Government in the matter. In reply to this letter of the Government of India it was resolved to draw their attention to the fact that the same principle was not observed at the time of giving rebate on the export of hides and skins to other parts of the British Empire.

87. **Embargo placed by the French Government on the importation of luxury articles:**—The attention of the Committee was drawn to this question and it was resolved to make a representation to the Government of India. In reply to this representation of the Committee they were informed that the embargo was likely to affect the Export trade of India to a very little extent as compared with its effect on other European countries. However, the Royal Trade Commission has requested the British Ambassador to request the French Government to show special consideration to the goods "to order." It was resolved to write to the Government of India to manage to secure the same consideration for Indian goods as was sought to be secured for the European goods.

88. **Death of Sir Shapurji Broacha:**—It was resolved to write a letter of condolence to the family of the late Sir Shapurji Broacha who was associated with this Chamber since its inception and was a member of the Committee up to recently.

89. **Thefts of piece-goods and valuable silk cloth from the Customs Examination Hall:**—A letter on this subject was received from the Commissioner of Police, Bombay. With a view to stop these thefts it was suggested by him that all merchants should be warned that they were responsible for their goods while in the examination hall; that if they had any occasion to leave the hall for any cause whatever they should arrange to do so after leaving some one responsible in charge. The Committee in reply stated that so far as their information went theft did not as a rule take place in the Examination Hall but on the ships or in the Port Trust sheds or in the Duty-paid Warehouses. As a remedy the Committee suggested a larger Police force.

90. **Appointment of Examiners for Mr. S. R. Bomanji prize essay on Indian Currency and Exchange:**—In connection with these essays the following five gentlemen were appointed examiners:—

1. Mr. B. F. Madan.
2. Prof. M. L. Tannan.
3. Mr. S. N. Pochkhanawala.
4. Mr. L. D. L. Buckley.
5. Dr. R. A. Rawley.

91. **The proposed new docks at Trombay:**—A letter on the subject was received from the Secretary, the Bombay Port Trust, enclosing for information of the Committee a copy of a preliminary report by Mr. P. G. Messent,

Chief Engineer, on the proposal before the Trustees for dock extension in Bombay. Before considering the question the Committee asked for a copy of the provisional sketch for the future development of the Port as shown by Mr. Frederick Sprott as also a map of the Port Trust Docks and a plan showing the proposed construction at Trombay. After a careful examination of these papers the Committee in general approved of the whole scheme but expressed their opinion that as the projected scheme would take a long time to mature, the Trustees of the Port of Bombay and the Commercial community would be gaining experience in the meantime with regard to the difficulties if any experienced in the present system and that would facilitate the work of making suggestions in future regarding the proposed extensions.

92. **The Rate of telegrams between Aden and the United Kingdom:**—The attention of the Committee was drawn by a member to the discrepancy that existed in the rate of telegrams between Aden and the United Kingdom. As compared with the rate of telegram between Bombay and the United Kingdom (Re. 1/-) the rate between Aden and the United Kingdom (Re. 1/4-) which was a smaller distance appeared to be unreasonable.

It was resolved to invite the attention of the Government to this discrepancy and to ask for reasons for the same.

93. **Extra-ordinary General Meeting of the Chamber held on 10th August 1920 to express the sense of profound grief at the untimely death of Lok. B. G. Tilak:**—At the meeting the following resolution was passed unanimously:

"That the Extra-ordinary General Meeting of the Indian Merchants' Chamber and Bureau expresses its sense of heart-felt and sincere sorrow at the premature death of Lokamanya Bal Gangadhar Tilak, and shares in the grief felt by the people of India at the irreparable loss which India has suffered thereby."

It was resolved to send a copy of the above resolution to the bereaved family.

94. **Representation of the Chamber re: Bill No, 12 of 1920 further to amend the Bombay Port Trust Act. 1879:**—The attention of the Committee being drawn to this Bill it was resolved to send a representation to His Excellency the Governor of Bombay protesting against the Port Trust being authorised to build a hotel or hotels meant only for ocean-going passengers. The Committee appealed to His Excellency to be pleased to abandon the proposed legislation or in the alternative to postpone it till the public and the commercial community had had time enough to study the provisions thereof and to pronounce their opinion on the same. In reply, a letter was received from the Private Secretary to the Governor of Bombay that His Excellency would be glad to discuss the matter with a representative of the Indian Merchants' Chamber. The Hon. Mr. Purushotamdas was appointed as a representative. A further reply was received from the Private Secretary to the Government of Bombay informing the Committee that as a result of the representations received Government had put off their original intention of putting the Bill through all three stages at the session then closed.

95. **Inconvenient timings of the Gujerat Mail:**—The attention of the Committee being drawn to the present inconven-

ient time of arrival of the Gujerat Mail into Bombay it was resolved to send a representation to the General Traffic Manager, B. B. & C. I. Ry. Co., regarding the same. The Committee mainly dwelt upon the late deliveries of Posts and consequent hardships and inconveniences suffered by the merchants in case of Hundies etc., which could not possibly be negotiated on the same day on which they were received. The Committee requested the General Traffic Manager that he would be so good as to consider the advisability in the interests of the travelling public and the trade of this city of reconsidering the timings of the Gujerat Mail and if possible of arranging its arrival in the early hours of the morning as before. In reply the General Traffic Manager stated that it was not possible to have things both ways. Either the Gujerat Mail must disorganise the local services or the local services must prevent the Gujerat Mail from entering Bombay in the early hours of the morning. The letter being placed before the Committee it was resolved to send a deputation to discuss the question fully with him. The deputation waited on the General Traffic Manager on Tuesday the 31st August. The Report of the deputation is printed in the Journal of the Chamber.

96. **Government publications and Notifications:**—Government have been pleased to keep your Committee in touch with all the important changes and modifications effected in the existing procedure regarding departments connected with trade and commerce; industries and munitions; Finance. Important announcements regarding imports and exports, telegrams, shipping &c. have been forwarded to your Committee as soon as possible for

information of the members of the Chamber. These have been promptly and regularly circulated through the monthly journal and also through special extra circulars. Your Committee beg to express their thanks to the Government for their courtesy.

97. **The Journal:**—The monthly Gujarati journal of the Chamber is making a continually steady progress and acquiring greater popularity.

98. **Membership of the Chamber:**—There were at the end of the last year 324 members. During this your 168 have joined and nine members resigned having at the end 483 members.

99. **Balance Sheet:**—The Balance sheet of the Chamber audited by the Honorary Auditor. Mr. Devidas Vithaldas is appended herewith.

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Income and Expenditure Account for the year ending 31st August 1920.

EXPENSES.	Rs.	a.	p.	Rs.	a.	p.
To Office Establishment, Rent, Insurance etc., ...	13025	1	4			
,, Postage and Telegram	1437	14	0			
,, Miscellaneous	1283	15	9			
,, Subscriptions to the V. J. Books and Magazines	647	1	2			
,, Stationery	866	6	0			
,, Printing Chamber's Reports and Representations	4037	4	0			
,, Printing Chamber's Journal	3057	4	0			
,, Commission on Advertisements	281	14	1			
,, Carriage Hire Charges	215	6	6			
,, Furniture	725	2	0			
,, Legal Expenses	114	0	0			
,, Commercial Inquiry	13	10	0			
,, Travelling Expenses	62	8	0			
,, Reference Books	92	8	0			
,, Public Meeting	1098	2	6			
,, Removal of office	231	6	0			
			Rs..	27183	7	4
,, Balance carried forward						
,, 4% Port Trust Bonds at cost	2025	0	0			
,, Cash with the Bank of India Ltd. .... (Including Rs. 1,300 of the Sir Ibrahim Entertainment Fund)	10613	4	11			
,, Cash with the Central Bank of India Ltd.	2071	8	0			
,, Cash with the Tata Industrial Bank Ltd.	1600	12	0			
,, Fixed Deposit cash with the Central Bank of India Ltd.	5050	0	0			
,, Cash on hand	672	5	0			
			Rs..	22032	13	11
			Total Rs..	49216	5	3

I have examined the above account of Income and Expenditure with books and vouchers of the Indian Merchants' Chamber & Bureau, and certify the same to be correct.

DEVIDAS VITHALDAS,
Auditor.

Bombay, 1st September 1920.

Income and Expenditure Account for the year ending 31st August 1920.—(contd.)

INCOME.				Rs.	a.	p.	Rs.	a.	p.
By Balance Brought forward							5456	3	4
Admission fees.									
168 New Members at Rs. 50				8400	0	0			
Outstanding three admission fees realised at Rs. 50				150	0	0			
							8550	0	0
,, Payment received in advance of 3 Members with new application forms at Rs. 50							1550	0	0
By Membership Subscription.									
,, 465 Town Members at Rs. 60				27900	0	0			
,, 7 Associations at Rs. 125				875	0	0			
,, 20 Mofussil Members at Rs. 25				500	0	0			
,, Outstanding membership subscriptions realised				620	0	0			
				29895	0	0			
,, Less Subscription outstanding..	1250	0	0						
,, Less Bad Debts of three mofussil members (2 at Rs. 25 & 1 at Rs. 5) ..	55	0	0						
,, Less Bad Debts of 8 Town members (7 at Rs. 60 & 1 at Rs. 30)	450	0	0						
				1755	0	0	28140	0	0
,, Payment received in advance of 31 members with new application forms (30 members at Rs 60 & 1 at Rs 25)							1825	0	0
,, Subscription to the journal ..							982	15	0
,, Advertisements							1811	8	7
,, Sale of Old Magazines							10	0	0
,, Sale of Members Lists..							65	8	0
,, Donation							500	0	0
,, Interest on Port Trust Bonds and Current Account							325	2	4
				Total Rs. ..			49216	5	3

J. K. MEHTA,
Secretary.

JEHANGIR BOMANJI PETIT,
Chairman.

APPENDIX I.

List of Magazines and Papers received by the Chamber during the year under Report.

(Quarterlies).

1. British Exporters' Register.
2. Mysore Economic Journal.
3. Bombay Co-operative Quarterly.
4. Indian Journal of Economics.

(Monthlies)

5. American Review of Reviews.
6. Agricultural Journal of India.
7. Asian Review.
8. Bankers' Magazine.
9. Cotton Spinning and Weaving in Indian Mills.
10. Harper's Magazine.
11. Indian Textile Journal.
12. Indian Business.
13. Internal Review of Agricultural Economics.
14. Internal Review of Agricultural Statistics.
15. Internal Review of Science and Practice of Agriculture.
16. Internal Trade Developer.
17. Journal of the Incorporated Chamber of Commerce, Liverpool.
18. Journal of Indo-Japanese Association.
19. Journal of London Chamber of Commerce.
20. Modern Review.
21. Record of Manchester Chamber of Commerce.
22. Seaborne Trade and Navigation of British India.
23. System.

24. Trade by Land of British India.
25. World Salesman.
26. Monthly Summary of Foreign Commerce of United States.
(Fortnightly.)
27. Cotton Press Returns.
28. Commerce and Industry.
(Weeklies).
29. Board of Trade Journal.
30. Capital.
31. Commerce.
32. Commerce and Finance.
33. Economist.
34. Indian Commercial Mercury.
35. Indian Trade Journal.
36. Investor's Review.
37. Indian Social Reformer.
38. Mysore Chamber of Commerce Price Current and Market Report.
39. Nation.
40. Pitman's Journal (Shorthand).
41. Statist.
42. Times History and Encyclopædia of the War.
43. Times Trade Supplement.
44. United India and Indian States.
(Weekly Bulletin.)
45. Department of Trade and Commerce, Canada

APPENDIX No. 2.

All Government publications are supplied free to the Chamber.

APPENDIX No. 3—4.

Export Duty on raw hides and Skins and Prohibition of free importation of Dyestuffs.

(*Telegram*).

22-9-1919.

To { Commerce. SIMLA.

The Committee of the Indian Merchants' Chamber beg respectfully but emphatically to protest against restrictions imposed on the free importation of Dyes by resolution No. 6993 dated 6th September 1919 which is sure to affect adversely local industries. Now that War conditions have ceased there is absolutely no justification for imposing restriction of this nature and the Committee are of opinion that the action taken is in the nature of a protective measure for the British Dye manufacture; is wrong in principle and indefensible from the standpoint of India's interests. My Committee therefore urge its immediate withdrawal. My Committee whilst according their cordial approval to the principle of the levy of duty on Export of Raw Hides and Skins are against rebate of 10 percent given to other parts of the Empire. They are emphatically of opinion that the policy of Imperial Preference if applied to India will be harmful to her economic interests and protest against the application of it to this country in an indirect and piece-meal manner by a flank movement. Like all large questions of public policy it should have been submitted to the country at large for discussion and deliberation as a

direct issue before being so suddenly adopted by the Government. My Committee consider the introduction of Imperial Preference as unjust and inequitable without the grant of full fiscal autonomy which would leave to the Imperial Council the power of adjustment of tariffs. Even if the idea of Imperial Preference is ultimately adopted by the country in the opinion of my Committee it is inconsistent with India's natural self-respect to allow preference to such of the Dominions as do not accord to Indians equal treatment as partners of the Empire.

(Sd). JEHANGIR PETIT,

Vice-Chairman, Indian Merchants' Chamber.

The above Telegram was confirmed by a letter on 23-9-1919,

No. 7907.

GOVERNMENT OF INDIA,

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, the 29th September 1919.

From

E. C. Ansorge, Esquire, I. C. S.,

Under Secretary to the Government of India.

To

The Vice President,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

Sir,

I am directed to acknowledge the receipt of your telegram dated the 22nd September 1919, and letter dated the 23rd idem,

conveying the views of your Chamber on the prohibition of the importation of dye-stuffs into India, and the export duty on hides and skins.

2. In reply, I am to say that the Government of India have carefully considered the interests of the Indian dyeing industry in this connection and have made full arrangements for their protection. They have issued order that licenses should be freely granted for importation from foreign countries of all dye-stuffs required by Indian consumers when these cannot be obtained from the United Kingdom or cannot be obtained at a reasonable price. Indian consumers will thus be able to satisfy their requirements fully and at reasonable prices, and the Government of India do not consider that the prohibition in question will adversely affect Indian interests.

3. With reference to your remarks on the subject of the grant of a rebate of ⅜rds of the duty imposed on raw hides and skins on exports to other parts of the Empire, I am to say that the Bill providing for this rebate was passed by the Legislative Council of the Governor-General on the 17th instant. I am to invite your attention to the debates in the Council on the reasons for the rebate, and to add that the measure was introduced without reference to any general scheme of Imperial Preference.

I have the honour to be,

Sir,

Your most obedient servant,

E. C. ANSORGE,

Under Secretary to the Government of India.

Bombay, 29th November 1919.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

E. C. ANSORGE, Esquire, I. C. S.,

Under Secretary to the Government of India,

Department of Commerce and Industry,

SIMLA.

Sir,

Your letter of the 29th September 1919, No. 7907 in reply to the telegram of my Committee dated the 22nd September 1919 and my letter dated 23rd September 1919, has been read by my Committee with great regret. They feel that the important question raised by them has not received from the Government that attention which it deserves in the interests of the local industry and trade. The protest of my Committee is specially and emphatically directed against the fundamental principle involved in this question, the principle of giving preference and protection to British manufacturers and traders at the expense of Indian trade and Industry. The question naturally arises if Government have taken any steps, or are likely to take any, in the near future, to place the Indian Dye Manufacturing Industry on a satisfactory basis. It is neither equitable nor just that as long as this is not done, steps should be taken to give an indirect encouragement to the British Dye industry at the expense of Indian trade and industry. The restrictions imposed are for all practical purposes, in the nature of a susidy for the British Dye manufacturers. If these

stand in need of any protection my committee submit it should have been given as a subsidy directly and openly by the Imperial Government and not by the Government of India, creating almost a monopolistic market in India for the benefit of the British Dye manufacturer or trader. To thus penalise Indian industry and trade for the purpose of giving an indirect subsidy to the British Dye manufacturer or trader is, my Committee consider, opposed to all principles of even fair trade within the Empire.

It is observed in your letter in question that "the Government of India have carefully considered the interests of the Indian Dyeing industry and have made full arrangements for their protection," and "they have issued orders that licenses should be freely granted for importation from foreign countries of all dye-stuffs required by Indian customers when they cannot be obtained from the United Kingdom or cannot be obtained at a reasonable price." It is to be feared that these assurances notwithstanding, due attention is not paid to the interests of the local dye merchants and the textile industry, as will be seen from some of the facts given below by my Committee.

A member of this Chamber applied for two kinds of Congo-Red, Brilliant Congo-Red, which no manufacture of United Kigdom has offered till now of the same shade strength and brilliancy, and the other was Congo-Red Bluish which is manufactured in the United Kingdom, but the rate for which is much higher than for the variety imported from the United States. A reply in the negative was given for both the Congos. It appears that the Collector of Bombay is unable to permit importation of Congo-Red, of *whatever* shade and strength it may be, which is not perhaps what is contemplated by the Gonernment.

There are also instances of Congo-Red Yellowish tone and Congo-Red Bluish tone both of which dyes are at present manufactured in the United Kingdom. The price of the latter variety imported from the United States is 45 per cent lower than similar variety imported from the United Kingdom, and yet licenses to import any quantity of these dyes from the United States are refused.

The Direct Black is obtainable from the United States at Rs. 2-6-3 per pound while the latest rate received from the United Kingdom is Rs. 3-3-4 per pound, *i. e.* there is a difference of 34 per cent and yet licenses for this article are also not granted.

No British manufacturer can offer *Brilliant Direct Pink* of the shade and brilliancy which is obtainable from the Swiss manufacturers. A local merchant applied for import of 1 ton of this article, but only 5 Cwts. were allowed. It is difficult to understand why the applicant should not be permitted to import quantity required by him when the licensing authority thinks it reasonable to grant license for it. Owing to these restrictions and interference with natural trade there is a jump of 50 per cent in the market in principal Dyes, as compared with the prices in last August. If there is no change made in the present procedure it is very likely that the rates may go higher still, and if the merchants are indirectly obliged to import from the United Kingdom, paying higher prices, it will mean an indirect blow and financial loss to Indian Textile Mills.

While the direct effect of the present action of the Government is practically to throw the local dye merchants in the hands of British Dye manufacturers and traders, the attitude of the latter is extremely significant. A member

applied to the Collector of Bombay for permission to import from the United States Methyl Violet Crystals, but the permission was refused. He then asked the British Dyes Limited to supply him with Methyl Violet 2B Crystal and the following is the reply he received from the Agents to the said firm. " We regret, we cannot accept your order for Methyl Violet 2B Conc. in Crystal form, and we cannot guarantee shipment, and further, we are not prepared to sell you Methyl Violet 2B Conc. unless you take up other colours. "

Such a reply can only mean that the Indian merchants are placed wholly at the mercy of the British Dye Manufacturers and traders who can dictate any terms to them.

My Committee have given here only a few typical instances of the extremely unfair and unjust manner in which the notification issued by the Government with regard to the importation of Dye Stuffs is working. The apprehension of my Committee referred to in their original telegram that the action taken by the Government is in the nature of a protective measure for the British Dye Manufacturers is not, my Committee are constrained to observe, to the slightest extent allayed by your letter. It is because a great principle is involved, and also because both the Dye merchants and the textile industry are threatened needlessly with a great loss, that my Committee beg to protest most emphatically against the action of the Government in issuing their notification regarding Dye stuffs, and to request that it be withdrawn.

Though my Committee are emphatically against the recent notification, as it is unfair and unjust, there are at the same time several inconveniences connected with the working of

the notification which at least ought to be removed, if the notification in question is not wholly withdrawn.

A. My Committee beg to suggest that thh Government of India should get prepared a list of Dyes which the United Kingdom can supply to India.

B. Proper inquiries must be made regarding quantities of different Dye stuffs manufactured in the United Kingdom, and a license should be as a rule given in those cases in which the particular needs of India are ascertained.

C. There must be fixed a certain ratio of price to determine what should be considered a fair margin of difference between the price for British and non-British manufactures. Licenses should not be refused except when such a difference between the price for a British product and non-British product falls within the ratio fixed.

D. An advisory Committee consisting of three Indian merchants and two European merchants should be appointed to colaborate with Collector of Customs of each port.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. 2062-D.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Delhi, the 9th March 1920.

From

E. C. ANSORGE, Esquire, I. C. S.,

Under Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

With reference to your letter dated the 29th November last, I am directed to forward a copy of a Press Communique which is being issued. It will be seen that the prohibition on the importation into India of dyes and dyestuffs is being removed with effect from the 13th instant.

I have the honour to be,

Sir,

Your most obedient servant,

E. C. ANSORGE,

Under Secretary to the Government of India.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE,

Delhi, the 9th March 1920.

PRESS COMMUNIQUE.

It is notified for General information that the prohibition on the importation into India of dyestuffs which was imposed last September is being removed with effect from the 13th instant.

E. C. ANSORGE,

Under Secretary to the Government of India.

APPENDIX No 5

Exemption from Income-tax of the income derived from the manufacture of indigo.

19, September 1919.

T 33.

To

The Secretary,

FINANCE DEPARTMENT.

GOVERNMENT OF INDIA

SIMLA.

Dear Sir,

With reference to Government Notification No. 2312 dated 5-9-1919, exempting income derived from the manufacture of indigo from income-tax for a period of two years, shall feel obliged if you can inform me of (1) the circumstances which have induced the Government to grant such exemption and (2) if any other industry is similarly exempted.

Yours faithfully,
J. K. MEHTA.
Secretary.

No 2627 F

Government of India.

FINANCE DEPARTMENT.

Simla, the 9th October 1919.

From

E. N. BLANDY, Esq., I. C. S,
Under Secretary to the Government of India.

To

The Secretary,
The Indian Merchants' Chamber and Bureau, Bombay.

Sir,

With reference to your letter dated the 19th September 1919, I am directed to inform you (1) that the circumstances which have induced Government to exempt from income-tax

the income derived from the manufacture of indigo are the circumstances in which that industry is at present situated and (2) that no other industry has been similarly exempted.

I have the honour to be,
Sir
Your most obedient servant.
E. N. BLANDY.
Under Secretary to the Government of India.

No. T 162.

31st October 1919.

From
The Secretary,
The Indian Merchants' Chamber & Bureau.
BOMBAY.

To
E. N. BLANDY, Esq. I. C. S.,
Under Secretary to the Government of India.
FINANCE DEPARTMENT.
GOVERMENT OF INDIA,
SIMLA.

Sir,

With reference to your letter dated 9th instant No. 2627 F. my Committee would like to know in detail what were the special circumstances which induced Government to exempt the indigo industry from income-tax. A strong case atleast must have been made out on behalf of the Indigo industry for exemption when it is denied to other industries and the details therefore will prove interesting to the commercial and industrial community.

I have the honour to be,
Sir,
Your most obedient servant
J. K. MEHTA.
Secretary.

No 3143 F

Government of India,

FINANCE DEPARTMENT.

Delhi, the 11th December 1919.

From

E. N. Blandy, Esq. I. C. S.

Under Secretary to the Government of India,

To

The Secretary,

The Indian Merchants' Chamber and Bureau, Bombay.

Sir,

With reference to the correspondence ending with your letter No. T-162, dated the 31st October 1919, I am directed to explain that in exempting the indigo industry from payment of income-tax the Government of India were influenced by the following considerations.

2. The industry has for many years past had to compete with the production of synthetic indigo. Though this competition practically ceased during the early part of the war it has since manifested itself with renewed vigour, and the natural product has now to face competition in the markets of the world, from Great Britain and America as well as from Germany and Switzerland. The Government of India understand that whereas natural indigo before the war still retained a certain popularity with dyers in Great Britain, the majority of those engaged in that industry have now bound themselves to use only synthetic dye for a term of years. Moreover, in America a 30 per cent import duty has been imposed on natural indigo in order to protect the synthetic industry. The result has been practically to close the western markets to the Indian product, and it was reported to the Government of India, at the time when their decision was made, that a large proportion of the crop produced during the preceding year

remained unsold. These facts all tended to show that the indigo industry was not in a position to bear the imposition of the tax. It was also reported that much of the indigo produced in India is manufactured in a crude form by the cultivators and that it would be very difficult to decide how far their profits are due to "industry" and not to "agriculture." In the above circumstances it was considered that the small amount which the tax might be expected to yield would not be commensurate with the difficulty of assessment and the trouble of collection.

I have the honour to be,

Sir,

Your most obedient servant,

E. N. BLANDY.

Under Secretary to the Government of India.

APPENDIX 6.

The Second session of the Indian Commercial Congress.

To

The Secretary,

Indian Merchants' Chamber & Bureau.

Bombay.

Dear Sir,

The first session of the Indian Commercial Congress was held in December 1915. Since then no other Session has been held owing to the continuance of the War conditions. Now that these conditions have happily changed it is thought that it would be advisable to hold another Session in January 1920 specially as the end of the War has given rise to so many important problems which must be considered by the Indian Commercial community.

(a) Among these problems the question of fiscal autonomy for India is perhaps the most important. Government is most likely to consider the Tariff question for the whole of the Em-

pire and the Indian commercil community should take this opportunity of stating its views. Opinion of the Indian commercial community is practically unanimous regarding fiscal autonony but it is essential that this should be definitely and emphatically stated at the present juncture.

(*b*) The question of the constitutional reforms has been dealt with by individual Chambers and it may be considered late for any representation to be sent. But the Indian commercial community as such may well express itself regarding the position of the Indian commercial community when the new Reforms come into operation.

(c) The Report of the Indian Industrial Commission has raised several important questions regarding the industrial development of the country and there are also several questions regarding Railways both of which require joint consideration by the commercial community. I have the honour therefore to ask if your $\frac{\text{Chamber}}{\text{Association}}$ approves of the idea of holding the second Session of the Congress in the next January and also if it will be able to send representatives if such a Session is held.

Yours Faithfully,
J. K. MEHTA.
Secretary.

26th September 1919.

To

The Secretary
THE ASSOCIATED INDIAN CHAMBER OF COMMERCE,
BOMBAY.

Dear Sir,

With reference to your letter dated nil. I am directed by the committee to inform you that they approve of the idea of

holding the Second Session of the Commercial Congress in the next January as proposed by you and will be glad to send delegates at the time.

Yours faithfully,
S. M. MAZUMDAR.
for Secretary.

APPENDIX No 7

German Currency Notes.

Bombay 13th September, 1919.

The Secretary,
The Indian Merchants' Chamber and Bureau
BOMBAY.

Sir,

You are no doubt aware that so many thousands of our countrymen in German East Africa have been in possession of German currency notes, since the outbreak of the war, the notes which are worth nothing now. They also expected our Government to do something in the way of alleviating the difficulty, in the way of making some arrangements to get them respected, through some Banks or some Government departments, but I learn that nothing of the nature has yet happened and they have to suffer a great handicap not only in trade but those who depended on their paultry savings in such notes have to be penniless.

May I therefore request your Chamber to be good enough to take this matter up either with the Government of India or with other proper channels and let me know the result of your representations, for which not only I but all our brothers there will be highly grateful to your Chamber.

Yours faithfully,
BIHARILAL N. ANANTANI.

9th October 1919.

No. T. 90.

From

The Secretary.

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Secretary,

Commerce and Industry Department,

Government of India,

SIMLA.

Sir,

It has been brought to the notice of my Committee that since the British Government took over German East Africa from the Germans, German Currency Notes have been declared to be illegal and invalid for purposes of currency. They are further informed that thousands of Indians resident for a number of years in German East Africa who have got these notes have been rendered penniless on account of the aforementioned order.

My Committee will be obliged if the Government of India will be plesed to enlighten them as to whether there is any truth in this information and also if any provision has been made at the Peace Conferenee to meet such a contingency. If the Peace Conference did not consider this question, the Government will be pleased to inform my Committee of any action contemplated by them to meet the situation in what was formerly German East Africa regarding German Currency Notes.

I beg to remain.

Sir,

Your Most obedient Servant.

J. K. MEHTA.

Secretary.

No. 706-D.

GOVERNMENT OF INDIA,

DEPARTMENT OF COMMERCE AND INDUSTRY.

Delhi, the 30th January 1920

From

R. B. EWBANK, Esq, I. C. S.,

Deputy Secretary to the Government of India,

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In reply to your letter No. T-90, dated October 9th, 1919, I am directed to inform you that the Government of India is not yet in possession of complete information on the subject of German currency notes held by British subjects in the Colony formerly known as "German East Africa." It is understood, however, that there are 3 classes of notes:-

(1) Certain notes were forced upon Indians and others in return for cash. Claims in respect of such notes should be lodged with the Foreign Claims Office, and will lie against the German Government under section 10 of Annex 1 to section 1 of part 8 of the Treaty of Peace with Germany;

(2) There are certain war notes issued by the German Government in German East Africa. Claims in respect of such notes may be registered with the Foreign Claims Office but no gurantee of the payment of such claims is implied in their acceptance for registration;

(3) There are pre-war notes issued by the German East African Bank. It is doubtful whether the holders of such notes are entitled, under section 297 (*b*) and (*e*) of the Treaty, to claim compensation for any loss

accruing from the failure of the Bank to redeem these notes out of the assets charged under clause 4 of the Annex: to section 297. It is not known what steps have been taken to wind up the German East African Bank and what assets are available to meet such claims.

I have the honour to be,
Sir,
Your most obedient servant.
R. B. EWBANK,
Deputy Secretary to the Government of India.

APPENDIX No. 8.

General Landing Date for Imports.

Bombay, 2nd September 1919.

No. B-1799

To

The Secretary,
Indian Merchants' Chamber and Bureau.

Sir,

I am directed to invite reference to the correspondence ending with your letter dated 1st August 1918 on the subject of the introduction of the general landing date system for import cargoes at the Bomby Docks, and to say that the Trustees' Docks Manager after an experience of the system over a period of 6 months has reported as follows :—

"The system has worked very smoothly from the Docks Department's point of view, and no complaints have been received from importers in regard to its working. On the contrary, representations of satisfaction have been made that, as was anticipated, the vexatious delays and difficulties, formerly experienced in obtaining actual landing dates in the Cash Offices, have been obviated.

"During the six months, general landing dates have been declared in respect of 199 foreign import vessels, and the average number of days from date of commencement of discharge to landing date has been 3. 04. As provided for under the rules of the system, extensions of free days have been granted in 28 instances".

I am to enquire if the experience of the members of your Chamber confirms the Docks Manager's opinion, as the permanent adoption of the system is now under consideration.

I have the honour to be,
Sir,
Your most obedient servant,
ILLEGIBLE.
Secretary.

3rd, October 1919.

No. T. 70.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Secretary,
Bombay Port Trust,
BOMBAY.

Sir,

I am directed by the Committee of this Chamber to write with reference to your letter of the 2nd September 1919 No. D 1799 that in their opinion conditions of trade during the last year were more or less abnormal and so the experience gained during this period of the working of the

system of General Landing Date for import cargoes at the Bombay docks cannot be accepted as a guide for the future.

My Committee therefore suggest that the permanent adoption of the system should be postponed to a time when the trade conditions are again restored to their normal state and experience is gained of the working of the system under normal conditions.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

Bombay, 14th February 1920.
No. B—378.

To

The Secretary,
Indian Merchants' Chamber and Bureau.

Sir,

General Landing Date for Imports.

I am directed to invite reference to the correspondence ending with your letter No. T. 70 dated 3rd October 1919, on the subject of the introduction of the General Landing Date system for import cargoes at the Bombay Docks, and to say that after a further six months' trial the Trustees' Docks Manager reports that no complaints have been received from importers, and the previous experience of the satisfactory working of the system has been confirmed. It has been found that under the new system the payment of charges and clearance of import goods from the Docks has been greatly expedited.

I am accordingly to say that, subject to any remarks from your Chamber it is now proposed to adopt the system permanently. The favour of an early reply is requested.

I have the honour to be,
Sir,
Your most obedient servant,
ILLEGIBLE.
Secretary.

30th March 1920.

T. 888.

From
The Secretary,
THE INDIAN MERCHANTS' CHAMBER AND BUREAU.
BOMBAY.

To
THE SECRETARY,
THE BOMBAY PORT TRUST,
BOMBAY.

Sir,

With reference to your letter of the 14the February 1920, No. B 378, I am directed by my Committee to inform you that they cannot approve of the new system of the general landing date for import cargoes at the Bombay Docks. The experience several of their members have of the working of new system goes to show that the fears they entertained regarding it in their reply dated the 1st August 1918, were justified. I enclose herein a copy of a letter from the Bombay Iron Merchants' Association which shows how the new system has not found favoured with several merchants. My Committee observed in their original reply, above referred to, that it would be only fair to count the landing date from the date on which

the articles were actually landed as in the old system, which had all along worked well and smoothly. As an alternative, it was suggested that a period of five days may be allowed for the removal of the cargo from the date a vessel completed discharge. My Committee again place these alternatives before your Board in the hope that one of them will be accepted in place of the newly introduced system which does not appear to work well and has caused universal dissatisfaction.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

Enclosure :—1

Bombay, 10th March 1920.

To,
The Secretary,
The Indian Merchants' Chamber & Bureau.
BOMBAY.

Dear Sir,

With reference to the letter of the Bombay Port Trust that we considered yesterday and in which it was stated that they had no complaint against the new rules about landing date I beg to bring to your notice that there is great dissatisfaction against the new rules amongst the members of my association.

It is not true that no complaint was made against the working of this rule. In fact for the last few months a long correspondence is passing on this subject between one of our members Mr. Parmanand Jadavjee and the Manager Bombay Port Trust specially in regard to goods per S. S.

"Elysia" arrived here a few weeks ago. Besides, I have got a letter dated 29th ultimo signed by 14 members of my association in which they bitterly complain against the hardship of delivery of Iron and Steel goods. I am addressing a seperate letter in the matter to the Manager, Bombay Port Trust, copy of which I beg to enclose herewith and request you to forward the same to the Secretary, Bombay Port Trust strongly supporting our complaint and requesting them to look into the matter and redress our grievances at an early date.

Hoping you will do the needful in the matter.

Yours faithfully,
G. B. TRIVEDI.

Bombay, 27th April 1920.

No. B—1083.

To

The Secretary,
The Indian Merchants' Chamber and Bureau.
BOMBAY.

Sir,

With reference to your letter No. T. 888 dated 30th March 1920, I am directed to say that your Chamber's disapproval of the Landing Date System appears to be based on a misconception of the working details of the system.

2. In most instances it is evident that the firms who have expressed dissatisfaction have not troubled to acquaint themselves first hand either with the rules of the system or with the true facts relative to delay in clearance of their goods. The merchants as a rule implicitly accept the version of their muccadams, and lodge complaints, which on investigation prove to be baseless.

3. As regards the case you cite in support of your request for a reversion to the old system, the Trustees' Docks Manager states that a deputation comprising the Secretary and three members of the Iron Merchants' Association interviewed him on the 24th ultimo, complaining that the General Landing Date was being fixed regardless of whether iron cargoes had been sorted and were available for delivery. They were informed in reply that this was not correct, as a special landing date is declared for iron, apart from the general landing date, and such special date coincides with the date sorting of iron cargoes is completed.

4. The deputation next cited the case of consignments of iron ex s. s. "Scindia" and complained that, although the iron had not then been sorted, a landing date for iron had been declared. It was pointed out to them that they had been misinformed, as no landing date for the s. s. "Scindia"s iron had been declared up to the time of their visit. They appeared to be extremely surprised at this and in further discussion admitted that their complaints were based on information furnished by illiterate muccadams. It was then arranged that in future a copy of the Iron Landing Date orders would be supplied direct to the Association for the guidance of their members. The rules of the System were also thoroughly explained to the deputation and they expressed themselves satisfied that ample provision had been made thereunder for remissions to meet all cases of real hardship. In the light of these facts, their letter of the 30th March addressed to your Chamber is not understood.

5. Again the reference to Mr. Parmanand Jadavji's case, quoted by the Iron Merchants' Association, is misleading, as the application was purely one for refund of charges and contained no complaint about the Landing Date System.

The s. s. "Elysia" of 7th January 1920 brought a large general cargo including iron and machinery and, owing to congestion, there was considerable difficulty in sorting the iron. Mr. Jadavji had several consignments of iron, which he took delivery of between the 10th January and 3rd February on payment of full extra fees without applying for extension of free days as provided in condition 4 (b) of the Landing Date rules. Thereafter, on the 7th February he made a written application for some remission of extra fees and this is the *only* letter he has written in the matter ; the Association is in error on stating that for the last few months a long correspondence is passing on the subject between Mr. P. Jadavji and the Manager, Port Trust Docks. Owing to Bills of Entry being with the Customs, investigation into the claim has been slightly delayed, but the Importer will receive a suitable remission of extra fees under the rules.

5. I am to request that, should any member of your Chamber have genuine cause of complaint in regard to the levy of extra fees under the new System, he should be asked to refer to the Trustees' Docks Manager, who will make full enquiries and treat every case with sympathetic consideration according to its merits.

I have the honour to be,
Sir,
Your most obedient servant,
Secretary.

APPENDIX No. 9.

Holidays enjoyed by the employees of the Members of the Chamber.

General Department, Secretariat.

17th September 1919.

Dear Sir,

I am to request you kindly to inform Government to what

extent public and sectional holidays, enjoyed in Government offices, are availed of by the employees of members of your Chamber.

Yours truly,
C. A. THOMAS.

To

J. K. Mehta, Esquire, M. A.,
Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY,

19th Bank Street,
Old Telephone Building,
Fort, BOMBAY.

26th September 1919.

T. 47.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Secretary,
GENERAL DEPARTMENT,
Secretariat,
BOMBAY.

Dear Sir,

With reference to your letter dated 17th instant I beg to inform you that the extent to which holidays are enjoyed by employees of the members of this Chamber generally depends on whether these members conduct their business on English lines or whether they do so on Indian lines. Generally the former class keep their offices closed on all the Bank holidays and Sundays and allow certain special holidays over and

above these like the Sankrant, the Maha Ekadeshi etc., though the number of such sectional holidays is not very large. The other class of members keep their business closed on the Amavasia days (the new moon-day) and on certain general holidays which are fixed by their different trades for their own lines. These holidays are Bank holidays but generally the Parsi and the Mahomedan holidays are not observed in the Bazar and trade markets.

My Committee will be glad to supply any other information asked by the Government.

Yours faithfully,
S. M. MUZUMDAR.
for Secretary.

APPENDIX No. 10.

Removal of Control on Food-Stuffs

14th October 1919.

No. T—118.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Secretary.
Revenue and Agricultural Department,
Government of India,
SIMLA.

Sir,

I am directed by the Committee of this Chamber to request the Government of India to be pleased to remove the inter-Provincial Control on movement of food-grains in India as soon as possible. The monsoon which has just closed

has to all appearances proved a satisfactory one and it is naturally expected that the out-turn of crops in the different parts of the country will be equally satisfactory. The continuance of inter-provincial Control was justified, if at all, when famine conditions were prevalent in several provinces and there was a possibility of stocks going into the hands of profiteers. Now that these conditions have ceased to exist, there does not appear to be any necessity for the continuance of such a control which interferes with the legitimate movements of trade.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

No. 1017—F. S.
Government of India
DEPARTMENT OF REVENUE AND AGRICULTURE.
(Foodstuffs).

From
C. A. INNES, Esq., C.I.E., I.C.S.,
Joint Secretary to the Government of India.

To
The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

Simla, 21st October 1919.

Sir.

I am directed to acknowledge the receipt of your letter No. T. 118, dated the 14th October 1919, urging the removal of the inter-provincial control of movements of food-grains in

India and to say that the question is receiving the consideration of the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,
C. A. INNES,
Joint Secretary.

21st January 1920.

No. T—476.

From

J. K. Mehta, Esquire, M. A.,
Secretary.
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary,
Revenue and Agriculture Department,
Government of India,
DELHI.

Sir,

I am directed by the Committee of this Chamber to draw your attention to their letter No. T. 118 of the 14th October 1919 requesting the Government to remove the Inter-Provincial Control on the movement of food grains in India as soon as possible. In spite of a good monsoon, prices of food-stuffs and other necessaries of life show no signs of going down and my Committee are inclined to attribute this in no small measure to the continuance of Inter-provincial Control on the movements of food-grains. My Committee beg therefore to repeat their request for the immediate removal of such control.

With regard to export my Committee would like to be informed of the names of Food-Stuffs, the export of which is

totally prohibited. They hope that in view of the very high-prices still prevailing, the export of all food-stuffs will be prohibited. My Committee also hope in this connection that the situation with regard to milk and ghee which has become almost critical, has been noticed by the Government. Both of these are necessities of life with the Indian population ; and yet their prices (specially the price of ghee,) have reached a height which puts them beyond the means of the lower and middle classes. It is naturally feared that unless speedy measures are taken in this connection, the vitality of the working classes will be seriously affected. The terrible devastation wrought by the Influenza epidemic shows that this is no imaginary fear. My Committee therefore suggest that the export of ghee and milch cattle should be totally prohibited. The last famine which is considered by the Food-Stuffs Commission as the worst on record during the last 30 years, must have been responsible for the destruction of atleast 25 to 30 per cent of the total milch cattle in the country. The severe famine conditions now prevailing, must also have exerted their influence in diminishing the reproductive capacity of animals. These causes would be sufficient by themselves to create a difficult situation but unfortunately they are said to be supplemented by a third cause. This is the export of milch cattle to Brazil and other places. They therefore hope that this suggestion regarding the prohibition of the export of ghee and milch cattle, will be accepted.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

Copy

No 15 F. S.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(Foodstuffs.)

From

C. W. JACOB, Esq., I C.S.,

Deputy Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Delhi, the 9th February 1920.

Sir,

In reply to your letter dated the 21st January 1920, I am directed to refer you to the Press Communiques issued on the 30th October and 27th November 1919. The only restrictions which are now imposed on the movements of foodgrains by rail are :—

(1) On inter-provincial movements of rice.

(2) On exports of wheat and gram from the Punjab, United provinces and Delhi.

3 On movements of all foodgrains from or to the North-West Frontier Province and Baluchistan.

The Government of India consider that the foodstuffs position in India does not at present allow of any further relaxation of the above restrictions.

2. As regards foodgrains, the export of which from India is prohibited, I am to refer you to the notification of the Government of India in the Commerce and Industry Depart-

ment No. 7822 of the 27th September 1919. The export of very limited quantities of the foodgrains mentioned therein is permitted under special license to certain countries, mainly those with resident Indian populations, which are dependent on India for their supplies. The special measures adopted for control of exports of rice from India and Burma during 1920 have been detailed in the Press Communique which was issued on the subject on the 24th December.

3. Your suggestion regarding the prohibition of export of milch cattle and ghee will be duly considered by the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,
C. W. JACOB,
Deputy Secretary to the Government of India.

APPENDIX 11.

Prohibition against the Private Import of Gold.

3rd, September 1919.

From
The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
The Secretary,
FINANCE DEPARTMENT.
GOVERNMENT OF INDIA
SIMLA.

Sir.

The attention of the Committee of this Chamber has been drawn to the agreement made between the gold producing companies of South Africa and the Bank of England under which a free market in the gold produced by the Transval companies is established. Similarly the Right Honoura-

ble the Secretary of State for India informed recently the House of Commons in reply to an interpollation that the Southern India Gold Mines would be allowed to sell Gold in London. In this connection my Committee beg to suggest that some of the gold should be allowed to come to India in payment of her balance of trade. This is a demand which has been repeated time after time and yet practically no steps have been taken to meet it. There may have been sufficient reasons for this embargo when the war was going on but now that war conditions have closed there is no longer any valid reason for continuing the same. The recent announcement by the Government to sell gold in this country, does not, my Committee regret to point out, go to the root of the matter. The sale of this gold may supply to some extent the demand from arts and industries but the way in which the sale is to take place will neither relieve the exchange situation nor is it calculated to give satisfaction to the public. The real remedy to relieve the present situation is to allow gold to be freely imported through the usual trade channels, and also to make arrangements in this country for sale of Mysore gold to the public in the ordinary course of trade, and through the ordinary channels but not through the Currency Department. If it is the Government's intention to serve the public demand for gold and at the same time ease the exchange situation, my Committee hope that Government will be pleased to remove altogether the embargo on the imports of gold, and allow it to be imported through trade channels and to be sold in the open market, like any other commodity as was the case before the war.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

No. 2502 F.

Government of India.

FINANCE DEPARTMENT.

Simla, the 26th September 1919.

From

S. V. AIYAR, Esquire, B. A., B. L.,

Offg, Assistant Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

With reference to your letter dated the 3rd September 1919, I am directed to say that the Goverment of India are not yet in a position to make any announcement regarding the withdrawal of the existing prohibition on the private import of gold into India.

2. Your Chamber is no doubt aware that the Government of India have removed the restrictions which were imposed last year on the internal movements of gold coin and bullion.

I have the honour to be,

Sir,

Your most obedient servant,

S. V. AIYAR.

Offg. Asstt. Secretary to the Government of India.

14th October 1919

No. T 119.

From

Ths Secretary,

The Indian Merchants' Chamber & Bureau.

BOMBAY.

To

S. V. AIYAR, Esq. B. A., B. L.

Offg. Assistant Secretary to the Government of India,

FINANCE DEPARTMENT.

SIMLA.

Sir,

I am directed to acknowledge the receipt of your letter of the 26th September 1919 No. 2502—F. My Committee think that the removal of restrictions of the internal movements of gold coin and bullion, though a welcome step, does not affect the main question of the embargo on the private import of gold into India. They beg to suggest that even if it is not possible to make an announcement regarding the immediate withdrawal of this embargo, the commercial public will appreciate the publication by the Government of any reasons which may be responsible for the continuance of the same. Such a declaration will, it is expected, allay public feelings to a large extent for the moment.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. 2797—F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

Simla, the 27th October 1919.

From

A. V. V. AIYAR, Esq., B.A., C. I. E.,

Asstt. Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to acknowledge receipt of your letter No. T. 119, dated the 14th October 1919 in which your Chamber suggests the publication of the reasons for the continuance of the embargo on the import of gold into India. In reply, I am to invite attention to the discussion which the Honourable Finance Member had with the Bengal Chamber of Commerce on the 1st September last (a copy of a report of which is enclosed for ready reference) and to say that the Government of India are not in a position to add to the statement there made.

I have the honour to be,

Sir

Your most obedient servant.

A. V. V. AIYAR,

Under Secretary to the Government of India.

THE EXCHANGE PROBLEM.

FINANCE MEMBER'S VIEWS.

Discussion in the Bengal Chamber.

A meeting of the Committee of the Bengal Chamber of Commerce was held on Monday to discuss with the Finance Member the problems arising out of the rise in exchange. There were present :—

The Honourable Mr. W. E. Crum, President (in the chair), the Honourable Mr. A. R. Murray, Vice-President, the Honourable Sir Frank Carter Messrs. W. O. Grazebrook. W. McA. Houstoun, and C. Kennedy the Honourable Mr. R. V. Mansell and Mr. J. A. Marshall.

The following gentlemen attended by invitation.—The Honourable Mr. H. F. Howard, Finance Member ; Mr. W. Alder, Controller of Currency ; Sir Norcot Warren and Mr. E. E. Savi, Finance Sub-Committee ; Messrs. W. Clark, Chairman, Exchange Banks' Association ; H. W. Carr, Chairman, Indian Tea Association ; C. F. Beadel, Chairman, Calcutta Wheat and Seed Trade Association ; G. W. Penstone, Chairman, Calcutta Jute Fabrics Shippers' Association, and R. H. Child, Chairman, Baled Jute Shippers' Association ; the Honourable Samuel J. Best, Chairman, Calcutta Tea Traders' Association ; Messrs. C. M. Jackson, Chairman, Calcutta Hidortes and Skins Shippers' Association ; F. Doxey, Chairman, Calcutta Import trade Association ; and G. Euthymopulo Chairman, Calcutta Baled Jote Association.

The President, in opening the proceedings explained that Mr. Howard had come to discuss the question of the exchange position and that the Committee had invited the heads of representative Associations to meet him for that purpose. He proposed in dealing with the question to put before Mr.

Howard in the first place the disabilities under which trade generally, both export and import, was suffering, then to refer to certain points in connection with the Exchange Banks and the allotment of Councils, and to go on to deal with the question from the point of view of the action taken by the Government of India, particularly with reference to gold.

Difficulties of Exporters and Importers.

The position with regard to exports was well-known. To sell their bills exporters had either to buy cover at rates varying from 10 per cent. to 15 per cent. from importers, ships' agents, private remitters, etc., or they could sell their bills by means of double transactions, with the Exchange Banks at a cost which worked out practically the same as if the first method were adopted but involving the payment of brokerage on the full amount of the transactions involved. To some extent exporters had been able to sell their bills with the risk of exchange on account of buyers at the other end, i. e., practically speaking they sold their goods on a rupee basis. But naturally the buyer was indisposed to pay anything more than the Government fixed rate, and the consequence was that it was a matter of some difficulty to quote one rate which buyers would accept as the actual rate of premium paid. Even with the use of this cover export, business was being severely handicapped and in certain cases particular industries, such as, for example, the tea trade, were faced with serious difficulties. In the instance cited it had been found necessary to cancel the tea sales during the past two weeks.

From the importer's point of view the experience to-day was that it was impossible to sell imports at the official rate of exchange, and, apart from this, import business had been

very greatly unsettled during the past two months. The position was in point of fact that the bazaar was prepared to buy and there was an actual demand which was being greatly restricted by the prevailing uncertainty. From the point of view of steamer agents they had of course to draw on owners for disbursements and found themselves faced with the same difficulties as exportes, *i. e.*, they must draw on owners at the Government official rate *plus* a certain percentage.

The sale of Councils.

Exporters had been enquiring what was happening to the weekly allotments of Councils. Government had been selling altogether a crore of Councils, out of which 40 lakhs came to Calcutta. Exporters stated that they found it a matter of difficulty to sell their bills without cover of some sort, and that beyond any cover which they were able to provide they had to finance themselves by transactions in doubles. The Committee had at the request of Baled Jute Shippers' Association taken up the question with the Exchange Banks Association and the latter had explained that out of the 40 lakhs allotted to Calcutta probably 20 lakhs had to go to other branches. Councils for the use of the Karachi, Rangoon and Colombo branches were frequently taken from the Calcutta allotment and it sometimes suited even the Bombay and Madras branches to apply for part of their Councils, to be made payable in Calcutta. In addition to the seven associated Exchange Banks there were nine institutions and firms outside of the Exchange Banks Association on the Secretary of State's lists for Councils and the Banks did not know what amount of Councils was allotted to these. The Exchange Banks further explained that they were issuing Councils allotted to them in cases of absolute necessity for the finance of their old constituents, to provide money for the tea gardens, etc.,

and that the whole amount of the Councils they received went at the Government official rate without any profit to the Banks. Their position with regard to transactions in doubles was that they themselves did not wish these, but that exporters pressed for them. The Chamber had of course been pressing Government to sell Councils and in the controlled position of gold and silver the only way, failing increased imports, in which the balance of trade could be adjusted was by larger sales of Councils. It was obvious that Government could not continue selling Councils unless they transferred from London what they paid out in India, and this they could only do by importing gold and silver.

The Import of Gold.

There was of course another way in which the balance of trade could be improved, namely, by allowing the private import of gold and silver into India. This would not be effective, however, unless Government raised the rate which they were willing to pay for gold in this country. But if private houses were allowed to import gold they might either be permitted to sell the gold themselves at whatever rate they could get for it—an arrangement that would practically mean the abolition of the control—or Government should buy it from them at higher rates than at present. It seemed clear that if Government desired still to keep the control of gold imports in their own hands, they must import it in much larger quantities than they had been doing so far, sufficient, indeed, to allow of the sale of all the Councils required for the convenience of trade. Government had been criticised in many quarters regarding the rate they were paying private importers for gold brought into the country. They were allowing the import, and paying for it, on the basis of a 1s. 10d. rupee and they were selling it in small quantities on the basis

of a 1*s.* 4*d.* rupee. As a result, gold had gone in large quantities from America to China, Japan and South America; indeed in some cases gold which was destined for India had *en route* been diverted to other countries to take advantage of the better rates obtainable there. In short, if Government wished the private importer to import gold, they must make it worth his while to do so; and alternatively if they wish to keep the control of gold imports in their own hands, it must be hoped that they would vary largely increase the quantities they brought in. In this connection, it had to be remembered that there were, at the present moment, several rates for gold in India :—

(1) The rate which Government would pay for imported gold, namely Rs. 11-3-0 for the sovereign;

(2) The rate at which Government had pronounced gold to be legal tender, and at which they were willing to give silver for gold already in India, namely, Rs, 15 for the sovereign; and

(3) The Bombay bazar selling rate, which was now between Rs. 18 and Rs. 19 for the sovereign.

The President understood that Government were selling gold in Bombay at the rate of Rs, 23-14-4 per tola—this rate being fixed on the basis of the 1s. 4d. rupee, on the legal tender rate of the sovereign. Gold could, however, be imported into India much more cheaply than this. Admittedly, if the rate were lowered Government would lose on the stocks of gold they had in India, but given a reasonable time they should gradually bring down the value of gold to a point nearer its value in other parts of the world. What merchants asked was that as soon as possible the price of gold should be brought

down to the price at which it could be imported, and that Government should sell it at this rate.

Treasury Balances.

Another point on which the President invited Mr. Howard to comment related to the very large accumulations of Treasury and other balances at present held in England. Early in 1915 these balances had stood at approximately £ 30 millions, but now they amounted approximately to £ 100 millions. The bulk of his large amount had been transferred Home on the basis of exchange at 1*s.* 4*d.* and it followed that heavy loss to India was involved on this account.

Mr. Howard's address.

On the invitation of the President, Mr. Howard then addressed the meeting. He explained in the first place that he quite recognised that it was the first requisite of any satisfactory currency policy to assist trade, and if currency were to be sound, and be based on a permanent policy of any kind, it must further pre-suppose what the President had urged—a free movement of the precious metals. The Government of India had been aware for a long time past of the difficulties of exporters, and of the nature of the transactions which had been passing; and they had kept the Secretary of State fully informed of these. They recognised that export business had been severely handicapped and in the circumstances the great volume of export business that had gone through had been surprising. In July exports to the value of 26 crores and re-exports to the value of about 1½ to 1¾ crores had gone from India, *i. e.*, a total of say, 28 crores or some 2 to 7 crores more than had ever before gone out of India in a single month, and that although the export of foodgrains had been practically prohibited. The rea-

sonable conclusion was that until an acute stage had been reached in August matters had been going fairly well. In July imports had amounted to only about 15 crores, and it thus followed that a gap of 13 crores had been bridged.

The Choice of Remedies.

Obviously such a gap between exports and imports could not be repeated indefinitely, and there were only a few ways of meeting the position. One method of course was to leave business to itself without the free movement of the precious metals; and in this event exchange would break hopelessly. Government had been doing everything they could to maintain the sale of Councils so as to assist trade, and this although they had been in a very heavily over-bought position during the war of the same reason. But they could not go on indefinitely selling Councils in the attempt to make two ends meet, as this involved borrowing in India piling up a debt for the purpose. The only possible result would be the creation of more paper money —a step which would accentuate the evil of high prices.

This position suggested the solution indicated by the President—that the only hope of bridging the gap between exports and imports was a freer movement of the precious metals. Government had been giving a great deal of attention to the method by which this could best be brought about. As the President had said, there were several alternatives. The free import of silver might be permitted, but with China a heavy purchaser and forcing prices up, it seemed useless to modify the present restrictions in view of the comparatively small quantity of silver that India could, in the circumstances, hope to get.

The most Hopeful Solution.

Again, with regard to gold, there were only two practicable alternatives—either (*a*) for the Secretary of State to pur-

chase more gold with the object of increasing the sale of Councils, or (*b*) for the rate at which Government acquired imported gold to be increased. With reference to the first of these points, the Secretary of State had already been purchasing gold and he had been able to acquire a certain amount during the past few weeks since the Bank of England had removed the embargo on the South African exports and other transactions, but this obviously could not afford a complete solution because the Secretary of State could not be expected to purchase gold in quantities sufficient to bridge the large gap between India's exports and imports. It had however been possible to increase Councils quite recently to the extent of the arrangement under which the Bank of Montreal was selling Rs. 30 lakhs weekly in New York. The second alternative appeared therefore to offer the correct remedy—namely, to alter the Government's acquisition rate so that it would bear relation to the premium paid in respect of the £ sterling. The Government of India were already in correspondence with the Secretary of State on this point. A solution on these lines appeared to offer practical results, and the Government of India hoped it would be possible to do something in this direction. The idea would be that such a price would be allowed as would enable India to compete with China, Japan, South America etc., and that the acquisition price should represent the actual cost of importing gold, including the present premium on it, and other charges.

It might be suggested that Government should immediately remove the restrictions on the free import of gold but this was not practicable, for so long as the 1*s.* 4*d.* rate remained as the statutory rate Government obviously could not allow gold to come in at Rs. 11 to the £ and be tendered to them at Rs. 15. Admittedly this was a debating point, because it might be argued that the statutory rate could be altered to meet the changed cir-

cumstances, but the statutory rate could not be altered with every variation; in any case as a result of the report of the Currency Committee, it would no doubt be necessary to re-consider the existing rate. Moreover, it was doubtful how the United States, who are the largest holder of gold, would look on unlimited export of gold in India, subject to no control, particularly as India had been able to get hold of no fresh gold on private account in the last few years. Mr. Howard felt that until Government were in a position to fix by law a legal tender value of the sovereign corresponding to the exchange rate, importers could not be permitted to bring gold into the country free from control. It had also been suggested that Government were profiteering under the present arrangement, but it had to be remembered that they stood to incur a loss over their sterling holdings. The President had mentioned that there were at present three rates for gold, and the object Government had in view was ultimately to bring these prices together. It was hoped, with the sale of the imported gold, that the present premium on gold in India would gradually be eliminated.

In reply to a question from the President regarding the Currency Committee, Mr. Howard explained that the Government of India had, before they were addressed on the point by the Chamber, urged the Secretary of State to impress on the Committee the desirability of expediting their work as far as possible. But during the recent weeks the difficulties of the problem before the Committee had been greatly intensified. Until recently the problem had been generally looked on only as being one of linking on the rupee at some fixed ratio to the £ sterling, but the question now appeared to have assumed a different shape, and to have become one as to whether the rupee was to be linked on to gold or to the £ sterling—two very different propositions. The problem was a very complex

one, and Mr. Howard felt sure that the Chamber would not wish to hustle the Currency Committee in the matter.

The Discussion.

A discussion followed, in which several of the points touched on by Mr. Howard were referred to. With regard to the figures of trade for July which had been quoted by him, the opinion was expressed that the large gap between exports and imports had been bridged over with the help of a considerable forward business then done in remittances against ready business in exports, the result of which really was to postpone the evil day. Enquiry was made whether Government could not prohibit trading in cover to the extent that was being done, but it was pointed out that even if such trading were definitely prohibited, there were so many ways in which the same results could be obtained, that any restriction would be quite ineffective. Mr. Howard mentioned that the Government of India had been in correspondence with the Secretary of State on this point some time ago, and that the question had been raised whether it was expedient to issue another appeal to the merchants, such as had been issued during the war, asking them to assist the exchange position by making their remittances through the banks only; but the Government of India felt that although such an appeal was fully justified during the period of the war, it was hardly reasonable to repeat it now that the war was over. The Secretary of State was also aware of transactions in doubles. It was understood the Exchange Banks themselves were averse to these double transactions, and that the Banks were being instructed by their home offices to discontinue them.

A further point discussed was whether it was not possible for Government to make an announcement definitely guaran-

teeing to sell Councils at a fixed rate for a given period. The opinion was expressed that it was very regrettable that the 1*s*. 8*d*. rate had not been maintained, because the raising the rate to 1*s*. 10*d*. had completely destroyed the confidence which trade had in the rate. Mr. Howard said this difficulty was fully realised, but there was great deal of weight in the argument that any such step would simply have postponed the uncertainty for a time. Besides, the price of silver had gone to the equivalent of 1*s*. 10*d*. while exchange was still 1*s*. 8*d*. ; and with silver at that price people would naturally have with-held their remittances on the assumption that the rate could not be maintained indefinitely under any circumstances. It did not matter that the Secretary of State was not in fact purchasing silver at the time ; it was sufficient that the increase in price actually took place.

On this point, the President agreed that when exchange went to 1*s*. 8*d*. and the Chamber recommended a definite guarantee there was some confidence that the rate would stay there ; and the increase to 1*s*. 10*d*. had undoubtedly led to uncertainty. Admittedly everyone desired stability, but the President was doubtful whether a statement from Government that they would sell Councils at a fixed rate for a period would in itself now solve the difficulty, for it was evident that Government could undertake to sell Councils up to the full requirements of the trade. So far as import trade was concerned, the position appeared to be that the market was in a position to purchase to considerable extent, but merchants were reluctant to buy as long as they saw exchange rising. The apprehension had now spread upcountry, and buyers were unwilling to go on with their normal purchases as long as exchange was doubtful. Mr. Beadel was of opinion that if Government could guarantee enough Councils for a definite period, there would not necessa-

rily be a large excess demand; it might increase during the first week or two, but afterwards the position would become fairly normal. Mr. Howard pointed out that Government had already got into a very heavily over-bought position of some 80 crores at rates between 1*s.* 4*d.* and 1*s.* 6*d.* largely in order to help exchange, and obviously they could not go on doing this indefinitely.

The discussion then turned on the question whether Government should not remove the embargo on the import of silver. Mr. Howard explained that the object of the embargo was to eliminate competitive purchases. As soon as the American control over silver was released, China had become a heavy purchaser. It would not have been wise either for Government to have come into the market as free buyers, or to have allowed the Indian importer to do so. It was for this reason that the Government of India had not yet moved in the direction of the removal of the restriction. Mr. Mansell pointed out that with the price of all commodities so high as at present, trade could not be balanced by imports of ordinary commodities but only by the import of the precious metals; and he asked whether the question of removing the duty on the import of silver had been considered. Mr. Howard stated that this matter was one which Government necessarily had constantly before them, but they were not prepared to advise the Secretary of State to take this step with prices soaring, and with China buying everything she could get. With India standing out altogether and China alone buying, silver had gone up 8d. in a few weeks, and the reasonable assumption was that if the Secretary of State had continued purchasing, the price would have gone even higher.

Mr. Carr referred to the position of the tea industry and to the difficulties it experienced in selling the requisite amount

of bills to procure finance for the gardens. He enquired whether it was not possible for them to be placed on a preferential basis. It was suggested that if they found themselves in immediate necessity of funds, the matter might be represented to the local Governments and to the Imperial Government.

The Vice-President referred to the selling of Councils in America against gold, and enquired if the 30 lakhs per week to be offered there could not be increased. Enquiry was also made as to what was happening to the gold paid by America for these Councils and as to whether India was getting the benefit of it. Mr. Howard replied that India would get this gold as it would be shipped here. It was stated by a member of the Chamber present that the first sale of 30 lakhs had been made at a premium of about 10 per cent., and this suggested the desirability of selling Councils in America up to the full extent that she was prepared to buy.

The President, summarising the discussion, said the points considered fell mainly under the following four heads :—

(1) The acquisition value of gold. The opinion appeared to be that this should be altered. It was desirable that the Chamber should address the Secretary of State direct on the point, urging that steps should be taken in this direction at once.

(2) The question whether Government should be again pressed to declare stability for a certain period and at the same time state that they are prepared to sell Councils up to a point. Whether it was possible for them to do this was doubtful. The object of course would be to restore confidence,

but the general opinion appeared to be that a guarantee, unless accompanied by sufficient Councils, was of comparatively little use, and that the same objects might be gained by pressing Government to buy gold and by the adoption of the other methods that had been suggested.

(3) The question of increasing the amount of Councils at the earliest possible moment. This involved the necessity of obtaining gold from all available sources, and it was desirable that the Secretary of State should be urged accordingly.

(4) The question of the sale of Councils in America. This was a point which might be also further considered.

At the conclusion of the proceedings the President expressed the thanks of the meeting to Mr. Howard for coming from Simla to discuss the position with them.

APPENDIX No 12.

Indemnity from the Ex-enemy Countries.

No. T. 134.

20th October, 1919.

From

J. K. MEHTA, Esq., M.A.,
Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Secretary,
The Government of India, Foreign Department,
SIMLA.

Sir,

The attention of my Committee has been drawn to a rumour that Australia is going to have a share in the indemnity

which the Imperial British Government is to receive from the ex-enemy countries. My Committee will feel obliged if you will let them know whether this is true and if so which other colonies and dependencies are likely to have a share in it and in what form.

I beg to remain,
Sir,
Your most obedient servant
J. K. MEHTA.
Secretary.

No. 468-D.

GOVERNMENT OF INDIA,

DEPARTMENT OF COMMERCE AND INDUSTRY.

Delhi, the 1st December 1919.

From

G. L. CORBETT Esq., I. C. S,
Deputy Secretary to the Government of India.

To

The Secretary,
Indian Merchants' Chamber and Bureau.
BOMBAY.

Sir,

In reply to your letter No. T—134, dated the 20th October 1919, to the Secretary to the Government of India, Foreign Department, I am directed to refer you to Part VIII of the Treaty of Peace with Germany, and to the Press Communique

issued by this Department on the 15th November 1919, a copy of which is enclosed for your perusal.

I have the honour to be,
Sir,
Your most obedient servant,
G. L. CORBETT,
Deputy Secretary to the Government of India.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE & INDUSTRY.

PRESS COMMUNIQUE.

Dated Delhi, the 15th November 1920.

It is notified for general information that compensation can be claimed from the late enemy Governments in accordance with the Reparation clauses of the Treaty of Peace in respect of damages falling under the following categories :—

(1) Damage to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all the direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising.

(2) Damage caused by Germany or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation), of exposure at sea or of being forced to labour, wherever arising, and to the surviving dependents of such victims.

(3) Damage caused by Germany or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work, or to honour, as well as to the surviving dependents of such victims.

(4) Damage caused to civilians by being forced by Germany or her allies to labour without just remuneration.

(5) Damage in respect of all property wherever situated belonging to any of the Allied or Associated States or their nationals, with the exception of naval and military works or materials, which has been carried off, seized, injured or destroyed by the acts of Germany or her allies on land, on sea or from the air, or damage directly in consequence of hostilities or of any operations of war.

(6) Damage in the form of levies, fines and other similar exactions imposed by Germany or her allies upon the civilian population.

2. Persons or firms desiring to register their claims should apply to the Local Government or Administration within whose jurisdiction they reside or carry on business. Any other information required on the subject may be obtained from the Local Government or Administration concerned. It is desirable that the claims should be substantiated as fully as possible.

G. L. CORBETT.

Deputy Secretary to the Government of India.

APPENDIX No. 13.

Substitution of a Calendar Year instead of a Fiscal year in the publication, of statistics.

DEPARTMENT OF STATISTICS, INDIA.

Calcutta, the 27th September 1919.

From

G. FINDLAY SHIRRAS, Esq., M.A., I.E.S.,
Director of Statistics.

To

The Secretary
THE INDIAN MERCHANTS' CHAMBER AND BUREAU.
BOMBAY.

With reference to the correspondence ending with your letter dated the 17th May 1919 regarding the adoption of the calendar year in place of the fiscal year ending 31st March in the trade accounts, I have the honour to inform you that out of the thirteen Chambers of Commerce consulted all, with the exception of one have favoured the calendar year.

2. In view of the fact that an Imperial Statistical Conference will take place in London in May 1920 the Government of India have decided that action should be deferred until after the proposed Conference has met.

I have the honour to be,
Sir,
Your most obedient servant,
G. FINDLAY SHIRRAS,
Director of Statistics.

APPENDIX No. 14.

No. 2551 F.

Depreciation Under the Income-Tax Act.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

SEPARATE REVENUE.

Income-Tax.

Simla, the 6th October 1920.

RESOLUTION.

The Government of India have from time to time received numerous representations regarding the allowances fixed in the various provinces on account of depreciation under the Income-tax Act. The criticisms levelled at the existing practice have alleged in some cases inadequacy in the rates allowed and, more generally, the hardship involved to various businesses on account of the prevalence of a variety of rates in the different provinces. Early in 1918 Local Governments were requested to submit their recommendations, after consulting expert opinion and Chambers of Commerce, and, apart from the rates which should be allowed in particular cases, their advice was invited on the fundamental question whether depreciation allowances should be calculated on the written down value, as is ordinarily done in the United Kingdom, or upon prime cost. In their replies Local Governments were practically unanimous in recommending that prime cost is for India the most convenient basis of calculation, but in other respects their views showed considerable diversity. The problem has been approached from

different standpoints, some calculated depreciation on block, allowing different rates for different industries, while others calculated it on the various classes of plant employed, and this, combined with divergence in local conditions has made their specific proposals in matters of detail by no means uniform.

2. The Government of India after examining the various suggestions put forward by Local Governments prepared a tentative schedule of rates for universal application, harmonising to a considerable extent the diverse proposals which had been made. The problem having thus been focussed it appeared to them desirable to submit it to a more detailed examination, and they therefore requested the Board of Special Referees, appointed under the Excess Profits Duty Act, to take the opportunity of their visits to important commercial centres to consult representative opinion and to frame proposals in the light of the advice which they received. The Board accordingly discussed the question with commercial and industrial representatives in Calcutta, Bombay, and Cawnpore and found it generally agreed that the normal basis of calculation should be the class of business concerned, and not the classes of plant or machinery employed. In accordance with this view, and with the advice on various details which they received, they have now proposed for the approval of Government a schedule of rates which they consider fair and likely to be acceptable to all concerned. They have, however, suggested that as the representatives consulted had not expert acquaintance with all the industries affected, the schedule which they have prepared might with advantage be published for general information. This suggestion the Government of India have adopted and the schedule is now published as an annexure to this resolution. Any criticisms or suggestions

in respect of the rates per cent. proposed in the schedule should be communicated to the Secretary to the Government of India in the Finance Department, not later than the 1st January 1920.

Ordered that the Resolution be published in the *Gazette of India*.

(Sd.) E. M. COOK.

Offg. Secretary to the Government of India.

Copy forwarded to all local Governments and Administrations (except Baluchistan) and to all Chambers of Commerce and Commercial Associations.

By order, etc.,

(Sd.) E. N. BLANDY.

Under Secretary to the Government of India.

Schedule.

Percentage allowances for depreciation on buildings, machinery and plant, under Section 9 (2) (vi) of the Income-tax Act 1918.

Class of plant.	Rate suggested.	Remarks.
	Percentage on prime cost.	
1. Buildings*:—		*Double these rates may be allowed for buildings used in industries which cause special deterioration, such as chemical works, soap and candle works, paper mills.
(1) First class substantial buildings of selected materials	2½	
(2) Buildings of less substantial construction ...	5	
(3) Purely temporary erections such as wooden structures	10	
2. Machinery and Plant †:—		†The special rates for electrical machinery given below may be adopted, at firm's option, for that portion of their machinery.
General rate	5	
Rates sanctioned for special industries:—		
Flour Mills, Sugar Works, Distilleries, Ice Factories, Aerating Gas Factories, Match Factories... ...	6¼	
Paper Mills, Ship Building and Engineering Works, Iron and Brass Foundries, Electrical Engineering Works, Motor Car Repairing Works, Galvanising Works, Patent Stone Works, Oil Extraction Factories, Chemical Works, Soap and Candle Works, Lime Works, Saw Mills, Dyeing and Bleaching Works,		

Class of plant.	Rate suggested	Remarks.
	Percentage on prime cost.	
Furniture and Plant in hotels and boarding houses, Cement Works using rotary kilns.	7½	
Plant used in connection with brick manufacture, optical machinery, glass factories, surgical and dental instruments, Telephone Companies, Collieries.	10	
Sewing machines for canvas or leather...	12½	
Motor cars used solely for the purpose of business ...	12½	
Motor taxis, motor lorries, and motor buses	20	
3. Electrical Machinery :—		
(*a*) Batteries...	15	
(*b*) Other electrical machinery, including electrical generators, motors, (other than tramway motors), switchgear and instruments, transformers and other stationery plant.	7½	
(*c*) Underground cables and wires	6	
(*d*) Overhead cables & wires.	2½	
4. Hydro-Electric concerns :—		
Hydraulic works, pipe lines, sluices and all other items not otherwise provided for in this statement. ...	2½	

5. *Electric Tramways*—

Permanent way—The life of the permanent-way is to be taken as 12, 14, or 16 years according to the traffic thereon. The classification is to be based on the average car mileage per mile of track per annum of the financial year preceding the year of assessment.

(1) Not exceeding 50,000 car miles per mile of track—16 years.

(2) Over 50,000 and not exceeding 75,000 car miles per mile of track—14 years.

(3) Over 75,000 and not exceeding 1,25,000 car miles per mile of track—12 years.

(4) Over 125,000 car miles per mile of track—Special consideration.

Where there are special circumstances, such as exceptional gradients and the compulsory use of wood paving, etc, tending to show that the car mileage does not fairly represent the wear and tear of the track, each such case is entitled to special consideration.

Cost of renewals including setts or other paving but excluding concrete foundations should be taken at £4,400 per mile of single track until the general renewal of the track takes place and the allowance for depreciation should be computed at such a sum per annum as will, in the aggregate over the determined life of the permanent-way, be equal to the cost of renewal as above fixed.

Actual expenditure on repairs and maintenance should be charged as working expenses as and when incurred.

Cars and other Rolling Stock—All maintenance of car bodies should be charged direct to revenue.

Depreciation on the cost of car trucks and electrical motors should be allowed at 7 per cent per annum,

General Plant, Machinery and Tools.—All other plant and machinery, machine tools (as distinct from loose tools, etc., which are renewals out of revenue year by year) should be bulked together and depreciation allowed thereon at the rate of 5 per cent per annum in addition to the cost of repairs.

Class of plant.	Rate suggested.	Remarks.
	Percentage on prime cost.	
6. Mineral Oil Companies :—		
A. Refineries—		
(1) Boilers	10	
(2) Prime movers... ...	5	
(3) Process plant	10	
B. Field operations—		
(1) Boilers	10	
(2) Prime movers... ...	5	
(3) Process plant... ...	7½	
Except for the following items:—		
(1) Below ground.—All to be charged to revenue	...	
(2) Above ground–(*a*) Portable boilers, drilling tools, well-head tank, rigs, etc	25	

Class of plant.	Rate suggested.	Remarks.
	Percentage on prime cost.	
(*b*) Storage tanks ...	10	
(*c*) Pipe lines—		
(*i*) Fixed boilers..	10	
(*ii*) Prime movers	7½	
(*iii*) Pipe line ...	10	
7. Ships:—		
(1) Ocean—		
(*a*) Steam	5	
(*b*) Sail or tug ...	4	
(2) Inland—		
(*a*) Steamers (over 120 ft. in length,)	5	
(*b*) Steamers including cargo launches (120 ft. in length and under) ...	6	
(*c*) Tug boats ...	7½	
(*d*) Iron or steel flats, for cargo etc. ...	5	
(*e*) Wooden cargo boats up to 50 tons capacity	10	
(*f*) Wooden cargo boats over 50 tons capacity	7½	

31st October 1919.

No. T. 164.

From

The Secretary.

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

E. N. BLANDY, Esq., I.C.S.,

Under Secretary to the Government of India.

FINANCE DEPARTMENT.

Government of India,

SIMLA.

Sir,

With reference to the Resolution No. 2551 F of the Government of India, Finance Department, Simla dated 6th October 1919, I am directed by my Committee to suggest that some extra percentage allowances should be given to those factories which keep working for 24 hours of the day, in consideration of the extra wear and tear which the machinery is likely to suffer. Instances of such factories are supplied by Iron and Steel industries, several mills, flour mills etc.

I have the honour to be,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX No. 15.

Substitution of cwts. & lbs. instead of gallons in figures for essential oils.

DEPARTMENT OF STATISTICS, INDIA.

Calcutta, the 14th October 1919.

From

G. FINDLAY SHIRRAS, Esq., M.A., I.E.S.,

" Director of Statistics,

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I have the honour to enquire whether, in the opinion of your Chamber, the denomination of the quantity of oils (vegetable, animal, and essential) in the seaborne trade returns of British India should be expressed in weight (cwts and lbs) instead of as at present in gallons.

I have the honour to be,

Sir,

Your most obedient servant,

G. FINDLAY SHIRRAS,

Director of Statistics.

No. T—160.

30th, October 1919.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

G. FINDLAY SHIRRAS, Esq. M. A., I.E.S.
Director of Statistics.
CALCUTTA.

Sir,

With reference to your letter No. 6890 dated 14th October 1919, I am directed by my Committee to inform you that they approve of the proposed change in the denomination of the quantity of oils from gallons to weight.

I have the honour to be,
Sir
Your most obedient servant.
J. K. MEHTA.
Secretary.

APPENDIX No. 16.

Reduction of Railway fares.

The Indian Railway Conference Association.

No. 2083/1.

Camp, Silma, October 1919.

To

The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

Dear Sir,

I am directed to inform you that your letter No. T. 22 of 13th ultimo, was read at an informal meeting of the Agents

of Railways present at the Conference at Simla on 16th instant, and I am to inform you that it is a regrettable fact that although the war is over, conditions due to the war, such as the difficulty in replenishing at increased cost depleted stocks of Railway material, and obtaining new supplies of carriages and engines and necessary parts of repair purposes still continue. Also in many other directions the capital charges and working expenses of Railways remain at such a high level, that it is impracticable at present to consider a reversion to pre-war fares. These as regards India are still on a low scale compared with foreign countries generally and some countries are even proposing to increase their existing scales of fares.

Yours truly,

Secretary.

APPENDIX No. 17.

Notice of withdrawal from the International Sugar Convention.

Bombay, 13th October 1919

To

The Director-General of Commercial Intelligence.

CALCUTTA.

Dear Sir,

I read on page 216 of the Journal of the London Chamber of Commerce July 1919 that in complying with the request of the British Imperial Council of Commerce, Mr. Balfour had undertaken to give six months' notice to withdraw from the Brussels Sugar Convention. Will you kindly let me know if such a notice has been given and if so on what date? My Committee will feel obliged if you will also inform them how far the Government of India is or expects to be free to

discriminate between various countries as to the imposition of duties on imports from these countries.

Yours faithfully,
J. K. MEHTA.
Secretary.

No. 10867.

Commercial Intelligence Department, India.

Calcutta the 27th October 1919.

From

H. A. F. LINDSAY, Esq., C.B.E., I.C.S.,
Director-General of Commercial Intelligence,

To

The Secretary,
The Indian Merchants' Chamber and Bureau
19, Bank Street,
Old Telephone Building,
Fort, BOMBAY.

Dear Sir,

With reference to your letter of the 14th instant I write to say that the six months' notice to withdraw from the International Sugar Convention was given by His Majesty's Government on the 7th August, 1918.

Regarding the imposition of duties on imports, there is no discrimination at present between various countries, and I cannot say what the future policy of the Government of India in the matter will be.

Yours faithfully,
H. A. F. LINDSAY,
Director-General.

APPENDIX No. 18.

Representatives of the Chamber before the Stores Purchase Committee

Government of India.

INDIAN MUNITIONS BOARD.

No. 15—W-3.

Simla, the 4th of November 1919.

From

The Secretary,

Indian Munitions Board, Simla.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

In pursuance of the recommendations of the Industrial Commission a Stores Purchasing Committee will tour round India in the forthcoming cold weather, for the purpose of investigating the question of a Government stores purchasing agency. I enclose for your information a copy of the draft terms of reference (which you will understand are subject to slight modification later.)

2. As the time which can be devoted to the oral examination of witnesses is limited, it is proposed to send as early as possible to each witness a questionnaire, to which a written reply will be requested. On perusal of the written replies the Committee will decide in what cases it will be advisable to take oral evidence also. Oral evidence will be taken at Calcutta, Cawnpore, Bombay, Madras, Rangoon and Delhi.

3. In order that the evidence may be representative of as many different interests and sections of the community as

possible, it is proposed to send the questionnaire to 2 members of your Chamber.

4. I am directed to ask you to be good enough to forward to the Indian Munitions Board the names of two witnesses whom you desire to nominate as your representatives.

Yours faithfully,

Secretary,
Indian Munitions Board,

Document accompanying :—
A copy of the terms of reference.

Enclo. to
No. 15—W-3.
Dated the 4th November 1919.

From
Secretary,
INDIAN MUNITIONS BOARD,
SIMLA.

Terms of Reference.

In view of the necessity of encouraging Indian industries, while at the same time securing economy and efficiency in the purchase of Government requirements, the Committee should enquire and report :—

(*a*) what measures are required to enable the Departments of the Government of India and of local Governments to obtain their requirements as far as possible in India, and what central and local agencies for purchase and inspection should be constituted :

(*b*) what should be the relations of such agencies with one another and with the Stores Department of the India Office (or such other purchasing organisation in England as may hereafter take the place of that Department);

(*c*) what modifications of the Stores Rules will the scheme recommended by the Committee necessitate.

QUESTIONNAIRE.

I.—Purchase.

1. Do you advocate the formation of a central agency* for purchases on account of departments of the Government of India ? Please give your reasons.

2. Assuming the formation of a central agency, are any special arrangements required for particular departments of the Government of India (*e. g.*, Army Department, Railways, Public Works Department, Posts and Telegraphs, Royal Indian Marine) ?

3. Are there any classes of stores which, in your opinion, should not be purchased by a central agency ? What agency do you propose for such purchases ?

4. Would it be advantageous for (a) local and quasi-public bodies, (b) company owned railways and (c) British Colonies and Protectorates which buy stores in India to make their local purchases through a central stores agency ? If so, should they be expected to contribute towards the maintenance of the central organisation ? (See also quesion 27).

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* For descriptions of central and local agencies, *vide* Appendix I.

5, Would a Central Stores Department be a suitable agency for the purchases of Local Governments? What measures of decentralisation would you suggest?

6. If you favour the creation of local agencies* for the purchases of Local Governments, how far is it desirable for departments of the Government of India to obtain any of their requirements through local agencies?

7. Have you any experience of the existing system by which Government calls for tenders for supply of stores; and if so, have you any criticisms or suggestions to offer thereon?

8. Would the establishment of a Central Stores Department render possible the introduction of simultaneous tendering in India and England for important contracts on behalf of Government?

II.—INSPECTION.

9. Having in view on the one hand the special responsibility of certain departments (e. g., the military departments) for the suitability of stores purchased and on the other, the great assistance which a centralised inspection agency could probably afford to Indian industries do you think that the policy of inspection should be dictated by the consuming department or by the department responsible for the industrial development of the country?

10. Should inspection be carried out generally by a central agency, independent of but working under the same control as the agency for the purchase of stores?

11. Are there any departments which require special inspection organizations of their own?

* For descriptions of central and local agencies, *vide* Appendix I.

12. Are there any classes of articles, of which you have expert knowledge, for which specialised inspection is advisable ?

13. Assuming the creation of local agencies for the purchases of Local Governments, should inspection be carried out by a central inspection agency or is it necessary to create local inspection agencies ?

III.—Home Indents.

14. Would the creation of central or local agencies for the purchase of Government stores necessitate any modifications in the Stores Rules †of 1913 ?

15. Under what conditions should purchases of European stores (whether in India or in the United Kingdom at the time of purchase) through established Indian branches of British manufacturing firms be allowed ? How would the grant of this concession affect—

(*a*) holding of stocks in India by the firm ?

(*b*) possibilities of the firm establishing manufacture in India ?

16. Do you approve of the scrutiny by a central department in India of all home indents before their transmission to the Director-General of stores ?

17. Can you suggest any practicable method for keeping the scrutinising department (vide Q. 16) posted with up-to-date information of the prices of articles obtainable both in India and the United Kingdom ?

18. Are there any classes of stores obtainable from abroad, which, in your judgment, should be procured otherwise than through the Director-General of Stores ?

† Reproduced in Appendix II.

IV.—STOCKS.

19. Do you advocate the formation of central stock depots by Government in India ? How would this affect—

(*a*) the holding of stocks by Government departments ?

(*b*) the holding of stocks by private firms ?

20. If you approve of the formation of central stock depots, where should they be situated ? Should they be maintained for Indian as well as for imported stores ?

V—GENERAL.

21. Please state the total amount expended by your department each year since 1910 on—

(*a*) stores purchased abroad ?

(*b*) imported stores purchased in India ?

(*c*) Indian stores ?

N. B.—Separate figures should be given for each subordinate department making considerable purchases.

22. What * arrangements, if any, are in force in your department for maintaining records of—

(*a*) prices paid for stores, and

(*b*) equipment and records of success of firms dealt with ?

23. Do you consider that it would be feasible for a central agency to collect and disseminate to purchasing officers prompt and reliable information regarding the prices, capacity and performances of contracting firms ?

24. Are the existing rules* for shipbuilding suitable to present conditions and future possibilities of industrial development in India ?

* Reproduced in Appendix III.

25. Would the purchase and inspection of stores for company-owned railways and local and *quasi*-public bodies by a central Government agency constitute any interference with the legitimate sphere of private enterprise?

26. Have you views on the recruitment and organisation of the staffs of central or local stores departments?

27. Should the cost of the central and local purchasing agencies be met by a percentage on orders placed with them?

28. Please describe the measures in force in your department for auditing purchases of stores.

29. Would the creation of central or local stores departments render it possible to exercise a more efficient audit on purchases and to ensure fuller compliance with the rules in force?

30. Do you consider that it would be desirable to arrange interchanges of personnel between the Home and Indian Stores Departments or between the Indian Stores Department and any of the local purchasing departments?

13th November 1919.

No. T—250

To

The Secretary,
Indian Munitions Board.
SIMLA.

Dear Sir,

I am directed by my Committee to inform you that they have nominated the following two gentlemen as witnesses before the Stores Purchasing Committee.

(1) Mr. Jehangir Bomanji Petit, *(Chairman.)*

(2) Mr. N. M. Muzumdar.

Yours faithfully,
S. M. MUZUMDAR.
for Secretary.

THE JOINT ORAL EVIDENCE GIVEN BY MESSRS. JEHANGIR PETIT AND N. M. MUZUMDAR BEFORE THE STORES PURCHASE COMMITTEE.

The Indian Merchants' Chamber and Bureau was representative of all branches of industry and commerce and was the foremost association of Indian merchants in India. They considered that the establishment of branches in India by British or foreign manufacturing firms would as a rule not be to the ultimate benefit of India and should not therefore ordinarily be encouraged in any way. All large purchases for Government should be made by advertising for tenders not only in India but in all countries in a position to offer supplies, so that the tax-payer in India would receive the benefit of the best prices to be had in the world's market. In deciding the tenders however the preference should be given to goods manufactured in India whenever they were of suitable quality, even though the price was slightly higher. By the use of the telegraph and with the assistance of the British Consular Trade Agents they saw no difficulty in ascertaining the reliability of firms in foreign countries from whom favourable tenders might be received. Similar transactions were carried out daily in the ordinary course of business and there was no reason apparent to them why Government should not follow ordinary commercial practice. A list of approved firms was not only unnecessary but undesirable. There was a very general impression that the privilege of being allowed to compete for the supply of stores to India through the Director General of Stores, India Office, was much too restricted to the disadvantage of India.

If the production of any article on a large scale was confined to one particular locality in India, they thought that it would be best if the purchase of Government of India and all local Governments' requirements were arranged by the

Central Agency. In all purchases, middlemen should be eliminated as far as possible and all dealings made direct with the actual manufacturers or their accredited agents.

The Bombay Chamber of Commerce and Bombay Piece-goods Association and other Indian Chambers and Mill Owners' Association already provided a suitable machinery for the inspection and survey of Indian textile goods and no special Government organisation was necessary for the purpose.

Witnesses considered that a Government Test House in Bombay would be a help in the development of industries, and would be made use of very largely by private manufacturers and firms. It would not interfere with any private interests.

They were absolutely and emphatically opposed to the location of the headquarters of the Central Agency in Calcutta. Geographically, and in every other important respect, Bombay was undoubtedly the best and most suitable place to be selected for the headquarters of such an organisation. Business and industrial aptitude seemed to be in the blood of the Bombay people. The inception of all the greatest advances in the commercial and industrial development of India could be traced to Bombay. Through Bombay the country would respond to meet out requirements of Government. No where in India was there such close cooperation between Indians and Europeans as in Bombay. The Indians in Calcutta were not so inclined towards industry as those in Bombay. European interests were too prominent in Calcutta for it to be the proper base of the development of Indian industries. If for any reason, Bombay could not be selected, then it would be preferable for the headquarters of the Central Agency to be located with the Government of India.

In recruiting for the Agency, preference must be given to Indians when their qualifications were equal. A deliberate effort must be made to train Indians to qualify them for all posts in the Agency. Witnesses instanced the wonderful success which had attended the persistence of the pioneers of the cotton industry in Bombay as an example of what could be accomplished by deliberate efforts to train Indians. The purchasing section of the Agency should be manned with business-men and not with civilians.

VIEWS OF THE COMMITTEE ON ABOVE.

I. We advocate the formation of a central agency for purchases on account of the departments of the Government of India. Such a central agency is necessary to prevent competition between the Provincial purchasing departments and the waste involved in the present system of Local purchase by individual officers. It will tend to bring some uniformity and standard in specifications for the whole of India, and thus to introduce a much required standardisation and economy and purchases on a large scale, which will be of great benefit to industrial development.

2.....

3. Stores required by Provincial Depots need not be purchased by the Central Agency, but by the Director of Industries in collaboration with the Provincial Controllers of Stores. To avoid competition and waste of effort it will be arranged that the Local Directors of Industries, when their provincial indents have been received, may put themselves into communication with the Controller General of Stores who will be in a position to advise them as to purchase within their Province or outside. If, for instance, the Director of Industries of Bombay finds from information supplied to him

by the Controller General of Stores that particular articles required by Officers in his province are available at reasonable rates in Bengal, indents can be placed with the purchase agency in Bengal through the Controller General of Stores.

4. It will be advantageous for the Local and quasi-public bodies, company-owned Railways and British Colonies and Protectorates which buy stores in India to make the local purchases through a central stores agency. They may be charged a certain percentage as commission for such purchases undertaken on their behalf. Any system of purchase that would have the effect of enabling a body to obtain stores at lower prices than they would, were they to purchase on their own, ought to be welcomed both by them and by the Government.

5. Answer to this is given in No. 3 above.

6. We favour the creation of Local agencies of Local Governments in a modified form only, as suggested above. We are for a central agency for purchases on account departments of the Government of India and also for acting as a medium and a referee for purchase by Local Governments. Local Directors of Industries with a Provincial Controller of Stores will be the purchasing Officers on behalf of Local Governments, but they will have to consult first the Controller General of Stores in order that they may familiarise themselves with the condition of markets in other provinces. Whenever it is found by the central agency that purchase can be effected at economic rates in any particular province, taking into account price, the source of supply and locality of consumption, it will advise the Directors of Industries accordingly.

7. One of the greatest evils of the existing system is that very little attention is paid to the advisability of purchasing articles made in India.

8. The establishment of a central stores department would render possible the introduction of simultaneous tendering in India and England for important contracts on behalf of Government.

9. The policy of inspection should not be "dictated" by the consuming department.

The consuming department will send specifications and the Inspection Department should see that the inspection satisfies the specifications. The latter will work under the department responsible for the industrial develpment of the country. It is to be feared that if the consuming department is to be entrusted with the work of inspection it will greatly complicate the machinery required, and there will be several difficulties started in the way of purchase, may be even of suitable articles.

10. Inspection should be carried out by an agency independent of, but working under, the same central agency for the purchase of stores.

11.....

12.....

13. With regard to the modified scheme of local purchase suggested by us, we are of opinion that inspection should be carried out by a central inspection agency and that it is not necessary to create local inspection agencies.

14. The creation of a central agency for the purchase of Government stores will necessarily introduce modifications in the Stores Rules of 1913. Thus for instance, in the place of the first rule with regard to the articles manufactured by the Indian manufacturers, we should like to have it provided that all articles that are produced in India in the form of raw materials or are manufactured in India from materials pro-

duced in India should by preference be purchased locally even if there is a slight difference in quality and price between the indigenous articles and the foreign articles.

The rule No. 4 will also have to be changed as attempts should be made to purchase all the required articles locally. The experience of the Indian Munitions Board has proved that if efforts are made to secure articles locally made it will be possible to tap several hitherto unknown sources for the supply of the same.

15. There need not necessarily be objection to purchasing European Stores through established Indian Branches of British Manufacturing Firms, provided Indian manufactures of a similar kind are not available.

16. Yes.

17. This should not be a very difficult matter, for the leading commercial firms always manage to keep themselves posted with regular information regarding prices of articles both here and in foreign countries. The proposed Commercial Intelligence organisation in India and abroad, if it is linked up in some way with the British consulates in foreign countries, will be able to supply the necessary information. With regard to local information, we assume that the Commercial Intelligence Organisation in the country will collect, collate and distribute all information regarding internal trade and industries.

18.....

19. We would not as a rule approve of the formation of the central Stock Depots by the Government of India. If such depots are generally established it would mean heavy and irregular purchases tending to inflate prices all around. The experience gained during the War recently, points to the fact

that once the consuming departments are given liberty to accumulate large stocks of the articles, required by them, they will do so almost with a vengeance. We understand that purchases made by some of the departments of the Munitions Board were sufficient to cover the requirements of a big army for several years.

20.....

21.....

22.....

23. It will be feasible for a central agency to collect and disseminate to purchasing officers prompt and reliable information regarding the prices, capacity, (vide answer to 17) and performances of contracting firms. The nature of the work done by the central agency will however depend upon its personnel. The work should be carried on on business lines and not under the restricting influence of redtape.

24.....

25. We cannot think so. Vide answer to 4.

26. We have only to suggest that sufficient scope should be provided for the employment of indigenous abilities and attainments in the new departments. We have to note with regret that in the Indian Munitions Board only three officers out of a personnel of over three hundred were Indians. All the leading Commercial Houses are staffed by Indians and even European Commmercial Houses have on their staff capable Indians. There is no reason why Indians cannot be obtained if efforts are made to secure them.

APPENDIX 19.

Proposed enhancement of freight in certain Cases specially on Coal.

GOVERNMENT OF INDIA.

RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

No. 345 T 16.

Dated Simla, the 12th of November 1920.

To

The Secretary,

Indian Merchants' Chamber and Bureau.

BOMBAY.

Sir,

I am directed to state that, in view of the heavy increase in working costs on railways, due to the abnormal rise in the price of materials, and a largely increased wages bill, Railway administrations have had under consideration the question of enhancing freights in certain cases, where this can be done without injuriously affecting trade and industry. It is unanimously agreed amongst Railways that the existing rates for coal from the Bengal coal-fields are distinctly low and can bear enhancement, and they accordingly propose to increase the freight charges for this commodity by approximated 5 percent for long distances varying to 7½ percent for short load traffic. The accompanying statement showshow the present and the proposed scales of charges compare, and gives a few specific examples of the effect of the new scale. The Railway Board consider the enhancement reasonable, and I am to request that they may be

favoured with the views of your Chamber on the matter. It is proposed to introduce the new rates from the 1st April 1920.

I have the honour to be,

Sir,

Your most obedient servant,

S. D. MANSON.

Assistant Secretary, Railway Board.

D. A.-Statement refered to.

Present and Proposed rates for coal.

Present scale.		proposed scale.	
	Pie per md. per. mile.		Pie per md. per mile.
Up to 75 miles ...	0·14	Up to 100 miles ...	0·15
Plus from 76 to 200 miles	0·12	Plus from 101 to 200 miles	0·125
Plus from 201 to 500 miles	0·06	Plus from 201 to 700 miles	0·06
Plus from 501 upward	0·05	Plus from 701 upward	0·05

Present and p roposed rates (excluding E. I. Railway's terminal ch arges) for the undermentioned distances.

Distance in miles.	Present rate.		Proposed rate.	
	Per maund.	Per ton.	Per md.	Per ton.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
100	0 2 1·50	3 11 0	0 2 3·50	4 0 0
700	0 4 5·50	7 11 0	0 4 9·50	8 4 0
1,200	0 6 6·50	11 3 0	0 6 10·50	11 12 0

Calculated rates per ton from Jherriah.

Station to.	Distance from Jherriah.	Rate per ton.	
		Present.	Proposed.
		Rs. a. p.	Rs. a. p.
Cawnpore	469	6 1 0	6 6 0
Jhansi	739	7 15 0	8 8 0
Amritsar	978	9·10 0	10 3 0
Lahore	1011	9 15 0	10 8 0
Karachi City	1407	3 5 0	13 14 0
Howrah	173	3 4 0	3 8 0
Tittahghur	164	3 2 0	3 6 0

*These rates include 0/2/0 per ton terminal charge on the East India Railway.

11th December, 1919

No. T 357.

To

The Assistant Secretary

RAILWAY BOARD,

SIMLA.

Sir,

I am directed by my Committee to acknowledge the receipt of your letter No. 345 T 16 of the 12th November 1919 and in reply to say that they do not agree with the proposal of the Railway Board to enhance freight in certain cases particulary in the case of Coal from the Bengal Coal Fields. So far coal as is concerned my Committee are of opinion that it being an important and common raw material for almost every industry, its carriage for internal requirements should not be made more expensive than that it is at present.

As regards Railway rates generally my Committee think that no enhancement should at present be made till the whole question of equity and incidence of existing Railway rates is gone into by an expert Committee on which Indian Commercial and Industrial interests should be adequately represented.

I have the honour to be

Sir,

Your most obedient Servant.

J. K. MEHTA,

Secretary.

APPENDIX No. 20.

Revision of Rates for Foreign Cablegrams.

BENGAL CHAMBER OF COMMERCE.

Calcutta, 14th November, 1919.

No. 3957-1919.

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

RATES FOR FOREIGN CABLEGRAMS.

I am directed to send you herewith a copy of the marginally noted letter for information and favour of support.

No. 3829 dated 4th November from the Bengal Chamber of Commerce to the Director General of Posts and Telegraphs.

Yours faithfully,
D. K. CUNNISON,
Acting Secretary.

Enclosure.—As specified.

BENGAL CHAMBER OF COMMERCE.

Royal Exchange.

Calcutta, 4th November 1919.

No. 3829-1919.

From

The Secretary.

Bengal Chamber of Commerce.

To

The Director General of Posts and Telegraphs.

Sir,

I am directed by the Committee of the Chamber to ask that consideration should be given to the question whether in

view of the rise in exchange, it is not reasonable that the cost of foreign telegrams should now be reduced. The cable rates are based on exchange at 1-4d. and the relative charges for cables sent, for example, from India to the United Kingdom are disproportionately heavy as compared with those on cables from the United Kingdom to India. The Committee believe it to be the case that the greater part of the expenses of the cable companies is in sterling, and if this be so it is clear that the rupee rate on telegrams should be adjusted in accordance with the present exchange position.

2. The Committee understand that the question has already been taken up, or will be taken up very shortly, with the Cis-Indian Join Purse Committee, the Government of Ceylon having informed the Ceylon Chamber of Commerce that they would be prepared to forward any representation on the subject by the latter. I am directed to express the hope that the Government of India also will take action and support the case for a revision of the rates on the lines indicated.

I have the honour to be,
Sir,
Your most obedient servant,
(SD) D. K. CUNNISON,
Acting Secretary.

Enclosures. Nil:—

12th December 1919.
No. T. 363.*

To
The Director-General of Posts and Telegraphs.
CALCUTTA.

Sir,

I am directed by the Committee of the Chamber to address you on the question of Rates for Foreign Cablegrams, a

* Acknowledged by no. 7860 T—19-12-19.

representation on which has been sent to you by the Bengal Chamber of Commerce No. 3829 of the 4th November 1919. The issue raised therein namely "that the greater part of the expenses of the Cable Companies is in Sterling, and hence, the rupee rate on telegrams should be adjusted according to the Exchange position" is, my Committee think, a just one and deserving of consideration. In conclusion my Committee hope that if the Exchange Rates are likely to keep up at their present high level, the Government of India will be pleased to take up the question of the revision of rates.

I beg to remain.

Sir,

Your most obedient Servant,

J. K. MEHTA,

Secretary.

POSTS AND TELEGRAPHS.

From

The Director-General of Posts and Telegraphs.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

Old Telephone Buildings,

19 Bank Street,

BOMBAY.

No. 465-T. H.

Calcutta, the 23rd February, 1920

Sir,

In continuation of the letter from this office No. 7860-T dated the 19th December 1919, I am directed to forward for information a copy of a Press Communique dated the 12th

February 1920 issued by the Government of India on the subject of a reduction in the rate charged for foreign telegrams to Europe.

I have the honour to be,

Sir,

Your most obedient servant,

G. W. BUNYAN.

For Deputy Director-General,

Telegraph Traffic.

No. 7

GOVERNMENT OF INDIA.

Department of Commerce and Industry.

Delhi, the 12th February, 1920,

PRESS COMMUNIQUE.

In view of the rise in the rupee-sterling exchange the Government of India have decided with effect from the 1st March 1920, to reduce the charge on foreign telegrams to Europe from Rs. 1-4 to rupee one per word.

This rate will be subject to revision once every 3 months.

(Sd.) J. C. NIXON.

Under Secretary to the Government of India.

APPENDIX No. 21.

Difficulties experienced by Messrs Alembic Chemical Works Co. in exporting Spirits.

No. T—30.*

15th, September, 1919.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Secretary,

Commerce & Industry Department,

Government of India,

SIMLA.

Sir,

I am directed by the Committee of this Chamber to draw your attention to their letter of the 22nd September 1916 regarding the difficulties experienced by the Alembic Chemical Works Company Limited of Bombay as also their letter of the 10th November 1916 addressed to Mr. Shephered, the then Collector of Bombay. Beyond a bare acknowledgement these letters remain, the Committee are sorry to point out, unreplied. It is a matter of deep regret that for the last three years no steps should have been taken to inquire into and remedy the grievances against which a complaint was made then by my Committee. These grievances were and are, in the opinion of my Committee, not merely a personal question of the Industrial concern referred to but affect the present position and

* Acknowledged by no. 7749—24-9-19

the future of a new industry which my Committee are sure the Government are as anxious to develop as themselves. Since the previous letter of my Committee the Alembic Chemical Works Company submitted their evidence to the Indian Industrial Commission where in a detailed statement was given regarding all the disabilities under which they are suffering. During all these years the only concession granted to them has been the remission of 7½ per cent duty on Industrial Alcohol, a remission which was granted to them under the orders issued by the Government of India for the whole of British India. All their other complaints, however, remained unredressed. Not only that but this firm has been put to a serious injustice by all its products being prohibited from import into the Punjab under the orders of that Government.

My Committee are informed that while such a restriction is imposed against the Alembic Chemical Works Company, a purely indigenous concern, spirituous products from Java, Japan and other foreign countries are allowed free entry on the payment of the usual duty. The Commissioner of Excise of Bombay in his letter of the 5th October 1917 C. R. No. 1419 of 1917-18 informed this Company that the import of Indian made spirit could not be allowed into the Punjab in the interest of the distilleries and the revenue of that Province, except that made at the Rosa distillery in the United Provinces, in the Delhi Province and Kashmir under Section 334 of the Punjab Excise Mannual (Page 130). This means not only that a monopoly has been given to Messrs. Carew and Co but also that spirituous products from foreign countries are to be allowed to the exclusion of similar products of indigenous concerns from other provinces. My Committee have given their careful attention to this complaint and are grieved to find that even the Government of India to whom

the Alembic Chemical Works Company Limited appealed disposed of the matter with a mere regret that could they not see their way to interfere in the action taken by the Government of the Punjab. (Vide letter from the Department of Commerce and Industry dated 23rd February 1918 No. 2343 B). My Cammittee also note with regret that while Messrs. Carew and Co are allowed to manufacture spirits in bond, the same freedom is not given to the Alembic Chemical Works Company.

The Commercial and Industrial community of this country naturally expects a favourable industrial policy from the Imperial Government following on the Report of the Industrial Commission which has the following observations regarding this question :—

" We recommend that a more liberal policy should be followed by the Excise authorities in respect of class of denaturant prescribed, and more regard might be paid to the likelihood rather than to the more possibility of frauds upon the revenue". It is specially for this that my Committee have brought this matter to your notice, expecting that the Government of India will be pleased to redress the grievances of this Company. It has been brought to the knowledge of my Committee that another chemical company working at Ahmedabad known as Messrs. Anklesaria & Co was brought to grief three years back owing to want of necessary facilities.

One of the complaints referred to in the letter of my Committee of the 22nd September 1916 was the prepayment of duty prior to the removal of the goods from the factory, requiring a large outlay of working capital. This complaint has now been accentuated by the order of the Commissioner of Customs, Salt and Excise, Bombay, requiring the Company

to deposit with the Accountant General, Government Promissory Notes, sufficient to cover the accounts of deposits for the import of the requisite quantity of spirit. This will mean a deposit by the Company of at least Rs. 50,000 which must operate as a severe handicap to it in its present condition. My Committee suggest that the products of the Alembic Chemical Works Company, may be treated in the same manner, as those of the foreign countries, thus removing the disadvantage under which it is at present working in competition with foreign imports.

Manufacturers in British India are entitled to a refund of duty at the time of the export of their products to foreign countries. The Alembic Chemical Works Company however is not afforded this privilege on the plea that section 150 of the Sea Customs Act provides for drawback of Excise Duty paid on spirit manufactured in British India (*vide* letter from the Collector of Customs, Bombay, R. S. R. No. 1408 of 1918). The Government of Bombay agreed to allow rectified denatured spirit manufactured in Baroda and imported in the Bombay Presidency, the same concessions as are allowed to similar spirit manufactured in British India. There is, therefore, apparently no reason why this case should not be similarly treated, specially as the Alembic Chemical Works Company Ltd, will be able to develop their industry to a very large extent if such a facility is allowed to them in exporting their products to foreign countries from which there is a great demand.

My Committee beg to draw the attention of the Government to the articale on "Power-alcohol" published in "The Times of India" Motor Supplement dated 5th August 1919. It gives some account of the report recently published by an

inter-departmental Committee on alcohol-motor fuel to Mr. W. H. Long, British Minister in charge of Petroleum Executive. In this Report the Committee have come to the conclusion that petrol will now be very dear and effective fuel substitute is indispensible. After considerable research they have recommended that the production of alcohol should be increased within the Empire by every possible means. They have further reported that amongst the vegetable sources of Alcohol Mohwa is so far the cheapest. They advise therefore its greatest development from this source. It will be seen from this that the Indian spirit industry is not simply a question of commercial or national importance but may be said to have an important bearing on the question of Imperial Military defence. It is hoped therefore that the Government will be pleased to give all facilities to this indigenous industry.

I have the honour to be,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No. 9333.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, 8th November 1919.

From

J. C. NIXON, Esq., I.C.S.,

Under Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In continuation of the letter from this Department No. 7749, dated the 24th September 1919, I am directed to say that your Chamber's letter, dated the 22nd September 1916, regarding the difficulties experienced by the Alembic Chemical Works Company, of Bombay, in exporting spirits from their factory at Baroda to British India was referred to the Government of Bombay for a report in the first instance. On representations subsequently made to the Local Government they informed this Department in September 1917 that, in order to avoid certain difficulties, a suggestion has been made to the Alembic Chemical Works Company that they should obtain a site within Railway limits, where the necessary testing of spirits could be carried on. In December of the same year, the Government of Bombay reported that the Company has proposed the construction of a warehouse within the precincts of the Baroda Railway Station and that they had been asked to consult the Railway Company. Further representations were made to the Local Government in 1918, and from a reference recently received, it appears that the

Alembic Chemical Works Company have not yet arrived at a satisfactory arrangement with the Bombay Baroda and Central India Railway Company in the matter, owing to some difference between the Baroda State and the Railway Company.

Meanwhile, at the instance of the Local Government the Government of India have agreed to permit the import in bond into Bombay, without payment of tariff duty, of such of the Company's liquors and spirituous preparations as are intended for export by sea to foreign countries.

2. With regard to the concluding paragraph of your letter, dated the 15th September 1919, I am to add that the Government of India are alive to the possibility of developing the manufacture of industrial alcohol in India and have the question under consideration.

I have the honour to be,
Sir
Your most obedient servant.
J. C. NIXON,
Under Secretary to the Government of India.

21st April, 1920.

No. T. 963.

From
The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
The Secretary,
Commerce and Industry Department,
Government of India.
SIMLA.

Sir,

I am directed to refer to the correspondence ending with your letter of the 8th November 1919 No. 9333. While my

Committee and the Alembic Chemical Works Company appreciate with thanks the decision of the Government of India to permit the import in bond into Bombay, without the payment of Tariff duty, of such of the Company's liquors and spirituous preparations as are intended for export by sea to foreign countries, they are sorry that no reply has been given to the other two grievances complained of *viz.* (a) the permanent deposit required and (b) the restrictions imposed by the Punjab Government.

With regard to the question of a bonded warehouse, which formed one of the suggestions of my Committee, the Government have stated that a satisfactory solution has not been arrived at " owing to some difference between the Baroda State and the Railway Company." The Alembic Chemical Works Company however says that the delay has been caused indirectly by the British authorities.

Before making the present proposal for a bonded warehouse, the Company had a lengthy correspondence with the Government on this subject extending over some years. After rejecting a number of alternative suggestions the British Government wrote to the Company in their No. 8537 dated the 27th November 1912 that they would allow direct export to any part of India if the Baroda Government would allow British officers to check and sample such consignments at their factory. The Company had therefore to induce the Baroda Government to forego so much of the jurisdiction and allow within the Baroda territory, the British control thus asked for. Whilst doing so, not without difficulties, it was informed by the British authorities that they did not approve of the plan, that they had themselves suggested, and thus brought all its efforts to naught. It had then to begin its labours again, and as advised by the British authorities had to make the proposal

for a bonded warehouse within British Jurisdiction at Baroda in the Railway yard. As there was no alternative, it accepted the proposal and undertook even to build and maintain it at its expense. Then arose the difficulty about the plot of land. The Company was asked to move the Government of Baroda and at its urgent request the latter addressed a letter to the British Resident on the question, and it had every reason to believe that the question was nearing solution. A letter from the Commissioner of Excise, Government of Baroda No. 183 dated 9th December 1919 was then suddenly received to the effect that Mr. Macdonald, Deputy Commissioner, of Excise Bombay Presidency, had expressed his willingness to allow a warehouse within the Baroda territories. It was that communication that prevented the Baroda Government from procuring for the Company the plot of land above referred to as they wanted to know definitely whether a warehouse within the Baroda jurisdiction was possible, before asking for a plot from the Railway authorities. To these inquiries made by the Company for the information of the Baroda Government, the Commissioner of Bombay has as yet vouchsafed no reply.

My Committee fail to understand why the Government of India have observed silence with regard to the other two grievances, specially the one relating to the restrictions of the Punjab Government. There is an important principle involved in this question, namely whether the Provincial Governments are empowered to raise with or without sanction of the Government of India, permanent inter-Provincial trade barriers? The Indian commercial and industrial community has protested for a long time against the dumping of foreign goods in our markets, to the detriment of the indigenous article. And yet, in this instance, a Provincial Government

encourages foreign manufactures under the excuse of protecting the interests of the Punjab district.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No. 2522.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, the 27th May 1920.

From

R. B. EWBANK Esquire, I. C. S.,

Deputy Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau

BOMBAY.

Sir,

I am directed to reply to your letter of the 21st April regarding certain disabilities under which the Alembic Chemical Works Company of Baroda are alleged to labour. You refer in particular (1) to the fact that the Company has been required by the Commissioner of Customs, Salt and Excise, Bombay, to deposit with the Aocountant-General, Government Promissory Notes to the value of Rs. 50,000" to cover the accounts of deposits for the import of the requisite quantity of spirit" and (2) to certain restrictions imposed by the Punjab Government.

2. The former of these grievances was referred to in paragraph 4 of your letter of the 22nd September 1916. That letter was forwarded to the Bombay Government for report in October 1916, but no reply has yet been received. It is understood from the Government of Bombay that the cause of the delay is the failure of the Alembic Chemical Company to arrive at an agreement with the Bombay Baroda and Central India Railway in the matter of the provision of a bonded warehouse within the precincts of the Baroda Railway Station and the Government of India have no further information on the subject. It does not appear, however, that there is any particular reason why you should address the Government of India direct in the matter either of the bonded warehouse or of the deposit, and I am to suggest that you should communicate with the Government of Bombay on the subject. A copy of your letter is being forwarded to that Government.

3. As regards your complaint of the restrictions placed by the Government of the Punjab on the import of spirit manufactured by the Alembic Company into the Punjab, I am to say that your representations will again be forwarded for the consideration of the Local Government. I am to add, however, that since 1918 it has been the policy of the Government of India to leave to Local Governments the responsibility of Excise administration and to remind you that it is proposed definitely to classify Excise as a provincial subject under Section 45 A of the Government of India Act.

I have the honour to be,

Sir,

Your most obedient servant,

R. B. EWBANK.

Deputy Secretary to the Government of India.

APPENDIX No. 22.

Statistics regarding Essential Oils.

19, Bank Street,
Old Telephone Building,
Fort, BOMBAY.
12th September, 1919.

From

The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Director of Statistics.
CALCUTTA.

"Re. Export and Import of Essential Oil."

Dear Sir,

My Committee are often referred to the question of figures, etc. regarding Essential Oil and they have very often to regret their inability to supply the necessary information by referring to the "Annual Statement" published by the Department of Statistics. I am therefore directed to suggest in the interests of the merchants dealing in Essential Oils, that a fuller and more detailed information regarding the same may be published in future. The Industry in Essential Oil is being developed in this country, and my Committee have reasons to believe that it has a bright career before it. It will therefore be supplying a real need, to publish in the Annual Statement details of imports and exports of Essential Oils.

Yours faithfully,
J. K. MEHTA.
Secretary.

No. 6567.

DEPARTMENT OF STATISTICS, INDIA.

1, Council House Street,

Calcutta, the 20th September 1919.

Dear Sir,

With reference to your letter No. T. 21 dated the 12th September 1919, suggesting the publication of further details of the Exports and Imports of Essential Oils in the Annual Statement of the Seaborne trade of British India, I write to say that the question has already been taken up and is now under the consideration of this Department and that a further communication will be sent to you in due course.

Yours faithfully.

G. FINDLAY SHIRRAS,
Director of Statistics.

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

No. T—234

From
The Secretary.
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To
G. FINDLAY SHIRRAS, Esq., M.A., I.E.S.,
Director of Statistics,
CALCUTTA.

Dear Sir,

With reference to your letter No. 6567 dated the 20th September 1919, I am directed by my Committee to request

you to inform them if any decision is arrived at regarding the publication of further details of the Exports and Imports of Essential Oils.

Yours faithfully,

S. M. MUZUMDAR.

Secretary.

No. 7656.

DEPARTMENT OF STATISTICS, INDIA.

Calcutta, the 17th November 1919.

From

G. FINDLAY SHIRRAS, Esq. M. A., I.E.S.

Director of Statistics.

To

The Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

Sir,

In reply to your letter No. T 234, dated the 12th November, 1919, I have the honour to state that it has been decided to revise the classification of Essential oils in the sea-borne trade accounts with effect from April 1920, and to enclose a statement showing the revised classification. I may add that a copy of this was sent to you with this Department No. 7538, dated the 13th November, 1919.

I have the honour to be,

Sir,

Your most obedient servant,

G. FINDLAY SHIRRAS,

Director of Statistics.

Revised Classification of essential oils in the sea-borne trade accounts of British India.

IMPORTS	EXPORTS—	
Oils—Essentail	Oils—Essential	
A.—Synthetic		
B.—Natural	(a) Lemongrass oil	Already specified
Oil almond	,,	
,, Bergamot	(b) Sandalwood oil	
,, Camphor	(c) Cassia ,,	
,, Cloves	(d) Cinnamon ,,	
,, Dill	(e) Citronella ,,	
,, Eucalyptus	(f) Geranium ,,	
,, Lemon	(g) Ginger grass,,	
,, Lavender	(h) Palma rosa ,,	
,, Peppermint	(i) Rosa	
,, Cajeputi	(j) Thymol	
,, Otto Rose		

The classification of essential oils in the Sea-borne trade accounts of British India published by the Department of Statistics, India, will with effect from April 1920 be altered as follows :—

IMPORTS—	EXPORTS—	
Oils—Essential—	Oils—Essential—	
A.—Synthetic	(a) Lemongrass Oil	already specified
B.—Natural	(b) Sandalwood ,,	
Oil Almond	(c) Cassia ,,	
,, Bergamot	(d) Cinnamon ,,	
,, Camphor	(e) Citronella ,,	
,, Cloves	(f) Geramium ,,	
,, Dill	(g) Gingergrass ,,	

Oil Eucalyptus	(h) Palma rosa Oil
,, Lemon	(i) Rosa ,,
,, Lavendor	(j) Thymol ,,
,, Peppermint	
,, Cajeputi	
,, Otto Rose	

No. 7538 S 13th November, 1919

Copy forwarded to the Secretary, The Indian Merchants' Chamber and Bureau, Bombay, in continuation of this Department letter No. 6567 dated 20th September, 1919.

G. F. FINDLAY SHIRRAS.

Director of Statistics.

APPENDIX 23.

Forged endorsement of Railway Receipt.

No. 1168 Ry. of 1919.

Public Works Department.

Bombay Castle, 23rd August 1919.

To

The Secretary,

Indian Merchants' Chamber and Bureau.

BOMBAY

Sir,

I am directed to forward herewith a copy of the Railway Board's letter No. 953-T-16, dated 18th July 1919, and of its accompaniment relative to a proposal to extend to Railways, by legislation, protection against forged endorsements of Railway receipts, of the nature afforded to Bankers by section

85 of the Negotiable Instruments Act, 1881, and by section 60 of the (English) Bills of Exchange Act, 1882, and to request that you will kindly favour Government with your views thereon at an early date.

I have the honour to be,
Sir,
Your most obedient servant,
V. F. BAIKER,
Ag. Under Secretary to Government
Irrigation and Railway.

Documents accompanying.
Copy of the letter and accompt. refd. to.

GOVERNMENT OF INDIA.
RAILWAY DEPARTMENT.
(Railway Board).
No. 953 T. 16.
Dated Simla, the 18th of July 1919.

To

The Secretary to the Government of Bombay,
Public Works Department.

Sir,

In a decision recently given by the Privy Council, it was held that the railway receipts concerned in the case were "documents showing title to goods" within the meaning of Sections 102 and 108, and "documents of title" within the meaning of Section 178 and also "instruments of title" within the meaning of Section 103 of the Indian Contract Act, 1872. A copy of the judgment as reported in the Bombay,

Law Reporter, Volume XVIII, Nos. 16 and 17, is enclosed.

2. The decision that the particular receipts before the Privy Council (not railway receipts in general) were "instruments of title" was arrived at by applying the test "whether the document in question is used in the ordinary course of business as proof of possession or control of goods or as authorising or purporting to authorise the owner to receive or transfer the goods". Railway receipts in India are used in the ordinary course of business in the manner described in the test, and even though the Privy Council was dealing with a particular case only, it has beer effectively declared as law that railway receipts are "instruments of title" and as the form of railway receipt in India is standard, the decision affects all railways.

3. In view of the difficulties to which Railways may be put by this decision, it seems necessary that some measure of protection should be afforded to them and it is now proposed to extend to railways, by legislation, protection against forged endorsements of Railway Receipts, of the nature afforded to Bankers by Section 85 of the Negotiable Instruments Act, 1881, and by section 60 of the (English) Bills of Exchange Act, 1882, and I am to request that, with the permission of His Excellency the Governor in Council the Railway Board may be furnished with the views of the Local Government in consultation with local commercial interests concerned.

I have etc.
S. D. MANSON.
Assistant Secy. Railway Board.

D. A.
Copy of judgment refd. to.

True copies.
D. H. De SOUZA.
Superintendent P. W. D.

From

The Secretary,

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

BOMBAY.

To

The Acting Under-Secretary to Government,

Irrigation and Railways,

Public Works Department,

BOMBAY.

SIR,

I am directed by the Committee of this Chamber to send in reply to your letter of the 23rd August 1919 No. 1168 Ry. of 1919 their views regarding a proposal to extend to Railways by legislation, protection against forged endorsement of Railway receipts, of nature afforded to Bankers by Section 85 of the Negotiable Instruments Act, 1881, and by Section 60 of the (English) Bills of Exchange Act 1882.

My Committee are opposed to such protection being afforded to Railways. Under section 85 of the Negotiable Instruments Act 1881, the drawee (where a cheque purports to be endorsed by or on behalf of payee) is discharged by payment in due course. Although Railway receipts have been held to be instruments of title, it may be pointed out that the case of Railways is not on all fours with that of the drawee. The Railways charge a certain commission for safe carriage of consignments. As carriers the Railways should not be discharged from their responsibility as bailees in this connection. If protection of the kind contemplated under section 85 of the Negotiable Ins-

truments Act is vouchsafed to the Railways, it will put a premium on forged endorsement of Railway receipts and consequently consignment especially parcels, being taken away by wrong persons, including Railway servants.

There is no case in which a document not a Negotiable instrument, has been protected by legislation in the manner suggested. No such protection is afforded to an endorsement upon a Bill of Lading or a transfer of shares in a Company. By the decision of the Privy Council a well known trade custom has been judicially recognisd. This question, at most puts a Railway receipt on the same footing as a Bill of Lading. Bills of Lading have been negotiable from times immemorial, but it has never been thought necessary or expedient to extend to them the above protection.

The proposal therefore, that the Railway Company delivering upon a forged endorsement should be protected by the legislation is entirely indefensible, specially when it is remembered that the issue of Railway receipts is not carried on in a satisfactory manner, nor are all the attendent circumstances satisfactory. If therefore it is contemplated to have any change in the existing law there must be sufficient safeguards taken on the lines recommended by the Cotton Contracts Board.

I beg to remain,

Sir,

Your most obedient Servant.

J. K. MEHTA,

Secretary.

APPENDIX No. 24.

Bill to amend the Workman's Breach of Contract Act,

No. 8442.

Judicial Department.

Bombay castle, 11th October, 1919.

From

A. MONTGOMERIE, Esquire., I. C. S.,

Ag. Deputy Secretary to the Government of Bombay.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to forward herewith a copy of a Resolution of Government in this Department No. 8437 dated this day, and to request that you will be so good as to furnish Government with the opinion of the Indian Merchants' Chamber and Bureau on the provisions of the Bill further to amend the Workman's Breach of Contract Act, 1859.

2. I am also to request that the reply to this letter may be sent so as to reach Government not later than the 8th November 1919.

I have the honour to be,

Sir,

Your most obedient servant,

M. L. CONWAY.

for Ag. Deputy Secretary to the Government.

Workman's Breach of Contract Act.

Proposed amendment of the—, XIII of 1859.

GOVERNMENT OF BOMBAY.

JUDICIAL DEPARTMENT.

Resolution No. 8437.

Bombay Castle, 6th October 1919.

No. 2528

dated 24th September 1919.

From—The Officiating Secretary to the Government of India, Legislative Department;

To—The Secretary to the Goverment of Bombay, Legal Department.

With reference to the Proceedings of the Indian Legislative Council of the 17th September 1919, I am directed to forward herewith 60 copies of the papers noted below* and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

* A Bill further to amend the Workman's Breach of Contract Act, 1859, with Statement of Objects and Reasons.

2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in by the 1st December 1919.

RESOLUTION.—Copies of the letter from the Government of India and of the Bill with the Statement of Objects and Reasons should be forwarded to the High Court and the Judicial Commissioner af Sind, who should be requested to favour Government with their opinions on the provisions of the Bill after consulting selected District Judges.

2. Copies should also be forwarded to the Commissioner in Sind, the Commissioner, N. D., the Commissiner, C. D., the Commissioner, S. D., the Secretary, Bombay Presideney Trades Association, the Secretary, Chamber of Commerce, Bombay, the Secretary, Chamber of Commerce, Karachi, the Secretary, Indian Merchants' Chamber and Bureau, Bombay, with a request that they will favour Government with their opinions on the provisions of the Bill. The Commissioner in Sind and the Commissioners of Divisions should consult selected District Magistrates.

3. The officers and the public bodies whose opinions have been invited above should be requested to furnish them not later than the 8th November 1919.

4. The Bill with the Statement of Objects and Reasons should be forwarded to the Manager of the Government Central Press for publication in the *Bombay Government Gazette* and to the Oriental Translator to Government for early translation into Marathi, Gujarati and Kanarese. The translation should be forwarded by the Oriental Translator to Government to the Manager of the Government Central Press for publication in the *Bombay Government Gazette*. The Commissioner in Sind should also be requested to arrange for the publication of the Bill and its translation in Sindhi in the *Sind Official Gazette*.

5. The dates on which several publications are made should be reported to Government for communication to the Government of India.

A. MONTGOMERIE,

Acting Deputy Secretary to Government.

To

*The Registrar, High Court, Appellate Side, Bombay,
*The Judicial Commissioner of Sind,
The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Secretary, Bombay Presidency Trades Association.
*The Secretary, Chamber of Commerce, Bombay.
The Secretary, Chamber of Commerce Karachi.
The Secretary, Indian Merchants' Chamber and Bureau, Bombay,
The Manager of the Government Central Press,
The Oriental Translator to Government.

*By letter.

No. of 1919.

Copy forwarded for information and guidance to.

A

BILL

Further to amend the Workman's Breach of Contract Act, 1859.

Whereas it is expedient further to amend the Workman's Breach of Contract Act, 1859, It is hereby enacted as follows :—

1. This Act may be called the Workman's Breach of Contract (Amendment) Act, 191 .

Short title.

2. (*1*) Section 1 of the Workman's Breach of Contract Act, 1859. (hereinafter referred to as the said Act) shall be re-numbered sub-section (*1*) of Section 1.

Amendment of section 1 of Act XIII of 1859.

(*2*) In the said section as re-numbered—

(*a*) After the words "an advance of money," the words "not exceeding three hundred ruppees" shall be inserted ; and

(*b*) the words "and the Magistrate shall thereupon issue" to the end of the section shall be omitted.

(*3*) To the said section as re-numbered the following sub-sections shall be added, namely :—

"(*2*) Such Magistrate shall at once examine the complaint on oath and may thereupon dismiss the complaint if in his opinion there is no sufficient ground for proceeding.

(*3*) If in the opinion of the Magistrate there is sufficient ground for proceeding, he shall issue a summons or warrant as he may think proper for bringing before him such artificer, workman or labourer, and shall hear and determine the case ".

3. (*1*) For section 2 of the said Act the following sections shall be substituted, namely :—

Substitution of new sections for section 2 of Act XIII of 1859.

"2. *(1)* If it shall be proved to the satisfaction of the Magistrate that such artificer, workman or labourer has received money in advance, not exceeding three hundred rupees, from the complainant on account of any such work, and has wilfully and without lawful or reasonable excuse neglected or refused to perform or get performed the same according to the terms of his contract, the Magistrate may in his discretion either order such artificer, workman or labourer to repay the money advanced or such part thereof as may be just and proper within such period and in such instalments, if any, as the Magistrate thinks fit, or order perform or get performed such work within such period not exceeding one year as the Magistrate may determine and otherwise according to the terms of the contract.

Order for repayment of advance or performance of contract.

Provided that no such order shall be made unless the complaint was brought within three months of the neglect or refusal.

Explanation :—Where no time has been fixed for the performance of a contract, neglect may be presumed to have occurred on the expiry of such period as the Magistrate deems to be a reasonable time for the performance thereof.

(2) If such artificer, workman or labourer shall fail to comply with an order made under sub section (1) the Magistrate may sentence him to imprisonment for a period not exceeding three months, or, if the order be for the repayment of a sum of money, for a period which may extend to three months or until repayment is made, whichever period is shorter :

Provided that, where any instalment has been ordered, no sentence of imprisonment exceeding one month shall be passed for default in payment of any one instalment, and the aggregate of such sentences shall not exceed three months.

(3) The Magistrate may from time to time extend the period for repayment of money advanced or for the performance of work, as the case may be, and may vary the instalments:

Provided that no order shall be made under this sub-section extending beyond one year from the date of the order under sub-section (1) the period within which the work is to be performed.

(4) No repayment of any money or order therefore shall deprive the complainant of any civil remedy whether for the recovery of any money advanced and remaining unpaid or otherwise, which he may have otherwise than under this Act.

Inequitable contracts not to be enforced.

2A. The Magistrate may in his discretion refuse to make an order under section 2 where in his opinion the contract in respect of a breach of which the complaint has been made was substantially unfair.

Compensation in false or frivolous and vexatious complaints.

2B. (1) If in any proceedings under this Act the Magistrate is of opinion that the complaint was false to the knowledge of the complainant or was frivolous and vexatious, he may in his discretion call upon the complainant forthwith to show cause why he should not pay compensation to the person or persons complained against or to each or any of them.

(2) The Magistrate shall consider any cause which such complainant may show, and, if after so doing he is satisfied that the accusation was false to the knowledge of the complainant or was frivolous and vexatious, he may, for reasons to be recorded, direct that compensation not exceeding fifty rupees be paid by the complainant to the person or persons complained against or to each or any of them.

(3) Compensation for the payment of which an order is made under sub-section (2) shall be recoverable as if it were a fine, and the Magistrate may, by the order directing payment of the same, further order that in default of payment the complainant shall suffer simple imprisonment for a period which may extend to thirty days or until payment is made, whichever period is shorter."

Amendment of section of the Act XIII of 1859.

4. In section 3 of the said Act for the words "to be imprisoned with hard labour" the words "to imprisonment" shall be substituted.

Substitution of new section for section 4 of Act XIII of 1859.

5. For section 4 of the said Act the following section shall be substituted, namely :—

"4. In this Act the word "contract" shall extend to all contracts within the meaning of the Indian Contract Act, 1872,

Provided that nothing in this Act shall apply to contracts where, a period having been specified for performance, such period exceeds one year.

STATEMENT OF OBJECTS AND REASONS.

The Workman's Breach of Contract Act, 1859 (XIII of 1859, is recognised to be in its present form unsuited in many respects to modern conditions, and has also been found capable of abuse by employers. It is proposed by this amending Bill to remedy these defects.

In the first place, the Bill fixes a period a limitation for a complaint at three months and confines the utilization by

employers of the provisions of the Act to cases where the advance does not exceed three hundred rupees, and the time for performance of the contract, where a time is fixed, does not exceed one year. In all cases whether a time is fixed or not the Magistrate may in his discretion refuse to put the Act into operation if he considers the terms of the contract are substantially unfair to the workman. Similarly, the Bill empowers the Magistrate to throw out a complaint after examining the complainant on oath and without compelling the appearance of the workman, if he thinks there is no ground for proceeding; and, by a provision analogous to that of section 250 of the Code of Criminal Procedure, 1898 (V of 1898), to award the workman compensation if the complaint was false or frivolous and vexatious.

Further, where a breach of contract has been proved, the Magistrate will have discretion to order either repayment of the advance or performance of the contract and will no longer be bound by the option of the complainant. He will also have power to allow time for repayment and to order payment by instalments and, if the order is for performance of the contract, to fix a time not exceeding one year therefor, Any such order may be varied at the discretion of the Magistrate, but not so as to extend the period fixed for performance of a contract beyond one year.

Finally, the Bill enables imprisonment of either description to be ordered as a punishment for a breach of contract. Under the existing law imprisonment must, if ordered, be rigorous.

The proviso to section 2 of the existing Act has been redrafted to give effect more clearly to the intention.

SIMLA:
The 3th September, 1919.

W. H. VINCENT.

Bombay, 29th November, 1919.

From

The Secretary,

The Indian Merchants' Chamber and Bureau.

Bombay.

To

A. MONTGOMERIE Esq., I. C. S.

Ag. Deputy Secretary

to the Government of Bombay,

Judicial Department,

Bombay.

Sir,

I am directed by the Committee of this Chamber to send their views hereby in reply to your letter of the 11th October 1919, No. 8442.

Whilst the Committee note that the bill under consideration makes certain improvements on the present Act, they very strongly feel that it is high time that the Government of India should consider the advisability of repealing the Act altogether.

My Committee appreciate that whereas the old Act provides that wherever an imprisonment is inflicted it must be with hard labour, the present bill proposes to give the Magistrate the discretion to inflict imprisonment of either description

simple or rigorous. The idea of sentencing a person to rigorous imprisonment, under a special Act, for a breach of a contract, is not one that is in keeping with the present day spirit of the scope of freeaction to this class of workmen. As far as my Committee are concerned, they are not aware of any part of the Bombay Presidency where the local industry would require, or has utilised, the protection afforded by the existing Act. From the Hon'ble the Home Member's speech in the Imperial Council on 17th September last it would appear that the tea industry is the chief industry that requires such a legislation.

My Committee, however, feel the tea planters ought not to be in need of such a special weapon in their hands. For any breach of contract on the part of their employees the law provides for remedy in a Civil Court, which ought to be enough. The planters, moreover, do not obviously stand in any special need of State support to their industry. Apart from that, the Act of 1859 is inequitous to the workman, and tends to keep his condition where it was in 1859. The State, my Committee venture to submit, has no right to give an artificial and a special support to a particular industry, at the expense of the employees of that industry. Labour must get its due, if the best economic interests of the country are to be safeguarded. Given reasonable conditions of wages, housing, hours of work etc., labour will remain contented. The existing statute, as a coercive measure, only tends to deprive labour of those just and reasonable conditions; and the State, thereby, directly encourages deficient and unfair conditions of labour. If the planters need to create and retain a permanent labour population, it will not be difficult for them to do so, provided they give suitable conditions, as other industries have to, if they want to keep their labour.

Labour has its price, and a fair price is all it wants. The State ought certainly to refrain from forcing down that price by imposing such harsh and inequitous conditions on labour contracts.

The particular class of employers referred to is powerful enough to protect its interests specially in a country like India where working classes have yet no organised associations to safeguard their rights and privileges. The Government of India themselves have recognised this position of the working classes by nominating representatives of labour for the Washington Labour Conference, instead of asking the working classes to elect their delegates as is done in western countries. As long as working classes are in the present position it is not fair to have on the statute book any legislative enactment which will place them still more at the mercy of their employers. My Committee would only quote in this connection an extract from the recent despatch by the Rt. Hon'ble the Secretary of State for India reviewing the report of the Indian Industrial Commission. Referring to the special necessity in India of guarding the interests and increasing the efficiency of labour the Secretary of State observes ; " I would here only remark in regard to labour that if the efficiency of labour be increased even to a moderate extent India could probably hold her own. If, therefore, development is to proceed on sound lines, and if enduring results are to be obtained labour must be made more efficient. In India, where the workers are unorganised, a special obligation lies upon Government to study their welfare and to secure for them better education, better housing, and a higher standard of living. By her adherence to the International Labour Convention India will now become subject in respect of labour conditions to international criticism. This need not be resent-

ed, as it is in the best interests of the country that present condition should be improved, provided it is recognised that Indian conditions are radically different from those of western countries and that western standards cannot at once be applied."

If notwithstanding this the Imperial Council approve of the bill in question, it should, when passed into law, be made applicable only to industries which in the opinion of local and Imperial Governments need such protection, and all the Provinces and Presidencies which have been included in the Act 1859, or to which the act may have been extended by the Governor-General in Council should now be exempted from the operation of the new enactment.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

APPENDIX 25

Wages census in the Bombay Presidency.

No. 8221.

General Department.

Bombay Castle, 30th September, 1919.

From

G. A. THOMAS, Esqr., I. C. S.

Secretary to Government.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to forward herewith copy of Government order No. 8220 dated the 30th September 1919 on the subject of wage census in this Presidency and to say that the Government of India propose that statistics of wages in selected industries should be collected from selected mills, railways, and other bodies concerned every year. I am therefore to request you to favour Government with an expression of the views of your Chamber on the proposal.

I have the honour to be,

Sir,

Your most obedient servant,

G. A. THOMAS.

Secretary to Government,

Prices Current.—

Regarding the collection and publication of wage statistics.

GOVERNMENT OF BOMBAY.

GENERAL DEPARTMENT.

Order No. 8220.

Bombay Castle, 30th September 1919.

Letter* from the Government of India, Department of Revenue and Agriculture (General), No. 673, dated the 12th May 1919.

ORDER.—Copies of the letter from the Government of India should be forwarded to the Director of Agriculture, the Commissioner in Sind, the Commissioners, N. D., C. D., and S. D. the Director of Industries, the Collector of Bombay, the Agents to the G. I. P. and B. B. & C. I. Railways, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, Bombay, and Millowners' Associations, Bombay and Ahmedabad, and they should be requested to favour Government with their views on the proposals made by the Government of India.

G. A. THOMAS,
Secretary to Government.

To

The Commissioner in Sind,
The Commissioners, N. D.
C. D., and S. D.,
The Municipal Commissioner
for the City of Bombay.
The Revenue Department,

* Appended.

The Director of Agriculture,

All Collectors and the Deputy Commissioner, Upper Sind Frontier,

The Registrar of Co-operative Societies,

The Director of Industries, Bombay Presidency,

The Collector of Bombay,

The Political Resident, Aden,

The Public Works Department

The Agent G. I. P. Railway,

The Agent, B. B. & C. I. Railway,

*The Chamber of Commerce Bombay;

*The Chamber of Commerce, Karachi,

*The Indian Merchants' Chamber and Bureau, Bombay,

*The Millowners' Association Bombay,

*The Millowners' Association, Ahmedabad.

*By letter.

No. of 1919.

Copy forwarded for information and guidance to

Circular No. 673.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(GENERAL.)

Simla, 12th May, 1919.

From

J. HULLAH, Esq., I. C. S.

Officiating Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Revenue Department.

The Chief Secretary to the Government of
Bombay.

The Secretary to the Government of Bengal,
Revenue Department.

The Chief Secretary to the Government of the
United Provinces.

The Revenue Secretary to the Government of the
Punjab.

The Revenue Secretary to the Government of
Burma.

The Secretary to the Government of Bihar and Orissa.
Revenue Departmen

The Hon'ble the Chief Commissioner of the
Central Provinces.

The Hon'ble the Chief Commissioner of Assam.

The Hon'ble the Chief Commissioner and
Agent to the Governor-General,
North-West Frontier Provinces.

The Hon'ble the Agent to the Governor-General
and Chief Commissioner in Baluchistan.

The Chief Commissioner, Ajmer-Merwara.

The Chief Commissioner of Coorg.

The Chief Commissioner, Delhi.

Sir,

I am directed to address you regarding the collection and the publication of wage statistics, a question which is assuming greater importance with the increasing development of agriculture and industry.

2. The recent history of these statistics is briefly summarised below :—Mr. W. H. Moreland, C.S I., C.I. E., Director of Land Records and Agriculture, United Provinces, put forward in 1905 a scheme for collecting the statistics by a quinquennial wage census. His proposals were, as stated in this Department circular letter No. 2-127-2, dated the 25th January 1907, (1) that the half-yearly wage returns then in vogue should be discontinued as being untrustworthy ; (2) that a quinquennial investigation should be made by collecting, through Revenue Inspectors (Kanungoes) or other provincial agency by whom the statistics were then collected, the actual facts as to prevailing wages, no averaging being done except in the office of the Director of Agriculture and under his personal direction ; and (3) that the object should be to ascertain the *standard* rates of wages in each district or

homogeneous tract, and to observe permanent changes in those standard rates, neglecting short period fluctuations. The scheme was accepted by the Government of India in this Department circular letter No. 23-197-19, dated the 10th September 1908, and with the exception of the Central Provinces and Baluchistan, all provinces have now adopted it.

3. The statistics published in the quinquennial wage census reports of the several provinces for 1911 and 1912 have been tabulated and examined by Director of Statistics who has brought to notice the following defects in them :—

The returns are not so comprehensive and illuminating as might have been expected from the labour expended on them. The figures are not up to date, and are not always published in a form useful for those who require them, such as Directors of Agriculture, Engineers, District Officers, and those interested in general wage movements. Further, these quinquennial returns do not show a sufficiently large or typical class of wage earners and they do not differentiate as a rule between superior and ordinary workmen, while the limits of wages paid are often so wide (for example 2 to 24 annas for a carpenter in the town of Madras) that the returns are not of much value. Lastly, they do not include wages paid in the jute, cotton, and other large industries. With the rapid industrial development of India in recent years, it appears desirable to increase the number of industries for which statistics should be collected. The Director of Statistics has accordingly put forward certain proposals for the improvement of wage statistics, which are dealt with below.

4. The wage statistics should, it is proposed, be collected annually. The objections to the present quinquennial census are

briefly that it fails to furnish information of the effects of seasonal vicissitudes on wages, as it purports only to record standard rates, that it does not afford sufficiently up to date statistical data to meet present day commercial and industrial requirements, and that the machinery for the collection of these statistics inevitably suffers from the fact that it is only set in motion once in five years. The Government of India recognize that there is much force in these contentions and I am to enquire whether in your opinion the advantages of an annual census are so material as to warrant the extra labour involved in its compilation.

5. The Government of India realise that the answer to this question must largely depend upon the scope of the reforms in these wage statistics which they have in view, and in particular upon the agency to which it is proposed to entrust their collection and compilation. Under the existing system statistics for urban wages are obtained by means of questions sent out by the Directors of Agriculture to a few firms in selected towns, while statistics of rural wages are collected by the Revenue Inspectors, Circle Inspectors, Sub-Deputy Collectors, etc., or similar agency (*vide* paragraphs 6 and 15 of Mr. Moreland's note.) The result is, as stated above, that the statistics of industrial wages are seriously deficient. In the Volume of Prices and Wages, for example, statistics are now given for only three cotton mills employing about 11,500 persons or only 5 per cent. of the total number of persons employed in all the cotton mills in British India. The industrial development of India has proceeded at a more rapid pace in the last two or three decades, and with this development it appears desirable not only to increase the

number of industries for which statistics are collected, but also to follow the practice of other countries by taking into consideration the chief concerns in place of selecting merely one or two mills. With a view to improve the statistics, the Director suggests that the returns should in future be divided into three classes, *viz.*—

(1) Wages in rural areas,

(2) Wages in urban areas, and

(3) Wages in selected industries.

He proposes that statistics for the first of these classes should be furnished by the District and Sub-District Boards, those for the second by municipalities to which the urban enquiries would in future be restricted, and those for the third by selected mills, railway and other bodies. This classification appears to the Government of India as at present advised to be sound, and the proposed agencies in respect of classes (2) and (3) seem suitable. With regard to the agency for (1), namely, District and Sub-District Boards, it has been suggested that such Boards can, without much trouble, obtain the rates of wages in rural areas from the Overseers or District Engineers, as the case may be employed by the Board. Where both District and Sub-District Boards exist, the latter would send in their returns to the District Board and the members of the District Board at one of their meetings would discuss the returns from Sub-District Boards and determine the rates of wages most generally paid to field labourers, village black-smiths and village carpenters throughout the district. As the returns would thus be collected by the existing staff of Rural Boards, it is anticipated that the system would involve no

extra cost; but I am to invite an expression of your views on this point, as well as in regard to the ability of Rural Boards to ascertain the prevailing rates of rural wages with accuracy and to envolve a satisfactory method of tabulation. In the case of Burma, where there are no Rural Boards, the returns would have to be obtained from the chief districts of the four wages tracts through Deputy Commissioners or through the Commissioner of Settlements and Land Record.. For Baluchistan statistics of rural wages are not necessary, and need not be collected. I am to add that before publishing the returns of rural areas, the Director of Statistics proposes, when necessary, to consult the Directors of Agriculture separately regarding any additional information about agricultural labour which they may be in a position to furnish. A similar procedure is, at present, followed in compiling the wage statistics of the Central Provinces. I am to enquire whether the above proposals commend themselves to you as suitable.

6. I am now to forward copies of the revised forms (A, B and C) [together with the circular letters (AB-1, and C-1) to accompany them] in which it is proposed that each of the agencies indicated above should be asked to collect its detailed information. They have been drawn up in consultation with the Director of Statistics with a view to give the maximum amount of information with the minimum amount of trouble to local authorities, and I am to communicate the following explanatory remarks in regard to them.

(*I*) *Form* A relating to rural areas takes the place of Mr. Moreland's forms B. C, and D. and so long as the resulting

form does not become too cumbrous, there appears to be no reason why these forms should not be combined into one. Mr. Moreland's forms merely provide for statistics of wages earned by (1) ordinary labourers living and working in the village, (2) carpenters and black-smiths doing their ordinary work in the village, and (3) ploughmen and syces employed in the village. The new classification excludes syces from the form altogether as rural statistics for syces are considered of importance in horse-breeding areas only, and these areas are so local that for statistical purposes it seems open to doubt whether they are of any real value at all. Village black-smiths, village carpenters and ploughmen, are retained in the form but the ordinary labourers of Mr. Moreland's returns are subdivided into four different classes of farm servants or field labourers, namely (1) sowers and transplanters, (2) weeders, (3) reapers or harvesters, and (4) others, each kind being again subdivided according to sex. I am to ask your opinion specially in regard to this subdivision, and to enquire how far it is adapted to conditions obtaining in————————. The restriction regarding living and working in the village has been cancelled, because it is understood that if it were retained, a considerable proportion of the labour in Burma and other tracts in India, where similar conditions prevail, would be unrepresented in the returns. The class 'herdsmen' has been entered in the classification of rural labourers, as such labourers are well distributed throughout various provinces in India. It is, however, for consideration whether this class of labourers should not be excluded on the ground that not infrequently their employment as herdsmen is merely part-time and that there may be some difficulty in arriving at the predominant rate of wages since one herdsman frequently tends the cattle

of more than one owner. A reference is also invited to the notes and instructions appended to the form.

(II) Form B—relates to urban areas and corresponds more or less to Mr. Moreland's form A. This form relates to all towns including those which were excluded from Mr. Moreland's scheme as being centres of trade (as opposed to industry) or seats of administration. It is proposed to give in this form statistics for coolies distinguished as men, women, and boys in place of unskilled labour, to retain carpenters and masons, to restore black-smiths and to include bricklayers, distinguishing each in two classes, superior and ordinary. Four different kinds of domestic servants, *viz.*, sweepers, bhistis, malis and syces have been added. As this form would be filled in by municipalities, greater efficiency in the agency collecting the statstics may be assumed, and there should be no difficulty in interpreting the footnotes and instructions on the form. In connection with forms A and B, it is intended that local authorities, if they so desire, should supplement the information by adding classes peculiar to their own localities, for example, gharamis or thatchers in Bengal, Bihar and Orissa, and Assam. Form G (for rural areas) and form H (for urban areas) attached to this Department letter of the 25th January 1907 would not be required in the scheme now contemplated.

(III) Form C—It is proposed to increase the number of industries for which statistics will be collected, the selected industries being those connected with jute, cotton, wool, rice, sugar, paper, tea, iron, brass, leather, printing, engineering, railways and mining (coal, manganese, wolfram). The form would record the average cash wages paid throughout

the year in these industries, and it is suggested that the classes of labour to be selected for each industry should be similar to those adopted in the Prices Enquiry Committee Report, 1914. Before this proposal is adopted the Government of India would be glad if the Local Government would consult, if necessary, the various Chambers of Commerce, Millowners' Associations, etc., and favour them with an expression of the views of these bodies in the matter. It should be clearly understood that the figures would be required for statistical purposes only and that in the publication of these statistics the names of firms affected and of persons supplying the information would not be disclosed.

7. It is further proposed that the compilation of the statistics collected by the three agencies specified in paragraph 5 should be done entirely by the Department of Statistics, which possesses the special knowledge and experience necessary for this purpose. Local agencies would fill in the forms detailed above and send them direct to the Department of Statistics which would then collect and arrange them for homogeneous tracts and provinces. This will undoubtedly afford substantial relief to Directors of Agriculture as well as District Officers who have hitherto collected these statistics. At the same time the compilation of the returns in a central office will ensure accuracy and uniformity.

8. The Government of India are aware that it is difficult to obtain accurate returns of what may be termed standard wages prevailing in various districts, but the proposals here outlined appear to them *prima facie* to afford the best practical means of securing such returns. The whole question, however, is one in which the opinions of those who have had personal

experience of the collection of the existing statistics would be especially valuable ; and I am to request that, with the permission of the Governor in Council, the Government of India may be furnished with your views on the points raised above, as well as with any other criticism which you may wish to make on the subject.

I have the honour to be,

Sir,

Your most obedient servant,

J. HULLAH,

Secrtary to the Government of India.

Bombay, 29th November, 1919.

From

The Secretary,

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

BOMBAY.

To

G. A. THOMAS, Esquire, I. C. S.,

Secretary to Government of Bombay,

General Department,

BOMBAY.

SIR,

I am directed by my Committee to send hereby their views on the subject of Wage Census in this Presidency, in reply to your letter of the 30th September 1919 No. 8221.

My Committee approve of the proposals to collect annual statistics with regard to wages, but beg to suggest, that a comprehensive volume giving all the elaborate statistics as proposed below should be issued every year, while an abridged quarterly publication should be issued giving all the important and available statistics. One of the chief defects of the present method of having a quinquennial Census of Wages is that it offers no suitable guide to students of statistics, and industrial and sociological questions. It is therefore that my Committee recommend the publication of a quarterly Wages Census as well as an Annual Wage Census, which latter again should as far as possible be issued within three months of the closing of the Calender year.

My Committee approve of the suggestion that the returns should be divided in future into three classes viz:—

1. Wages in rural areas.
2. Wages in urban areas.
3. Wages in selected industries.

With regard to (1) they agree that statistics should be furnished by the District and Sub-District Boards, while with regard to (2) also they agree that Municipalities should be responsible for collecting them.

With regard to the 3rd class, however, they are of opinion that the Director of Industries should be made responsible for the collection of all the statistics in collaboration with the Chambers of Commerce and the Industries themselves.

With regard to the particulars required for the different forms A. B. & C. my Committee would like to make the following suggestions :—

Form A:—Herdsmen should be separately classed, and the rate paid per head of cattle may be given as well.

Form B:—The following items should be added to the building trade.

a. Painters.

b. Stone Cutters,

c. Plumbers and Gas Fitters.

d. Electric Workmen.

The following items should also be added to this form.

a. Compositors.

b. Tailors.

c. Cabinet-Makers and Upholsterers.

The following items should also be added to the class of Domestic servants.

a. Coachmen.

b. Chauffeurs.

c. Cooks, Butlers etc.

d. Ayahs.

e. Peons and Hamals.

Regarding statistics for the chief industries, the selection of statistics from one or two mills only, suffers obviously from certain disadvantages. Statistics should rather be collected from a large number of typical concerns engaged in a particular industry, and an average drawn from the basis of the information furnished by them. The Director of Industries will be, as mentioned above, in a position to do all this work with the collaboration of the Chamber of Commerce.

My Committee beg to suggest that semi-official bodies like thoe Improvement Trusts and Port Trusts should also be asked to give statistics relating to the wages of their employees. Government may go even further, and themselves furnish statistics of the wages paid to their low grade employee (at present only the wages of Postmen and runners are given).

My Committee agree that the statisticsshould be sub-divided where possible according to sex. Wages paid for child-labour may also be separately mentioned. Comparative statements of wages paid to similar classes of employees, particularly in the case of industries in other parts of the world, may also be shown in the annual publication.

I beg to remain,
Sir,
Your most obedient Servant.
J. K. MEHTA,
Secretary.

APPENDIX 26.

Offer of Donation from the Commercial Associattons.

Bombay, 24th November, 1919.

No. 15.

To

The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

Sir,

At the Meeting of the accredited Representatives of 71 commercial Bodies associated for the purpose of protesting

against the Rules framed by Government under the revised Income Tax Act of 1918 held on 17th instant ; the question of disposing off the balance of the fund raised was discussed.

It is suggested that the balance which is about Rs. 10800 be handed over to your chamber with the understanding that the chamber shall hereafter from time to time correspond with Government or other Authorities, in the matter of Income Tax, Super Tax and Excess Profit Tax difficulties which merchants may be found suffering from and advise the members of the 71 Associations regarding any technical difficulty regarding the said taxes when sought for.

I am to ask whether your chamber is prepared to accept the above sum subject to the above under standing.

Your early reply is solicited so that on receipt of it further meeting will be called.

Yours Faithfully.

LALJI GOVINDJI,

Hon. Joint Secretary.

1st December, 1919.

No. T 34.

To

The Honorary Joint Secretary,

The Bombay Native Piece-goods Merchants'

Association

BOMBAY.

Dear Sir,

With reference to your letter No. 15 dated 24th November, I am directed by the Committee to inform you that on all matters

of public interest they are doing their best to secure of public interests and to further the cause of Indian trade and commerce. The Chamber is expected to discharge such a duty without any thought of grants or financial help which may be accorded to it from any quarter. My Committee appreciate the offer of Rupees Ten thousand and eight hundred made by you on behalf of the 71 commercial Associations but regret that they are unable to accept the same on account of the onerous conditions accompanying it.

Yours faithfully,

S. M. MUZUMDAR.

for Secretary.

APPENDIX 27.

Collection and publication of Statistics relating to spirituous Medical preparations.

Nos. 7869-82

DEPARTMENT OF STATISTICS, INDIA.

Calcutta, the 17th November 1919.

From

G. FINDLAY SHIRRAS, Esq. M. A., I.E.S.

Director of Statistics.

To

Local Governments and Administrations.

Sir,

I have the honour to say that a proposal has been received in this Department for the collection of statistics relating to

spirituous medical preparations. The matter was referred to the Government of India, and the Indian Munitions Board considered that the information would be of value. I have to request that (with the permission of H. E. the Governor in Council, H. H. the Lt. Governor in Council, H. H. the Lt. Governor you will be so good as to issue instructions to the Excise Department as early as possible.

I have the honour to be,

Sir,

Your most obedient servant,

G. FINDLAY SHIRRAS,

Director of Statistics.

No. 7884

Copy forwarded to the Secretary, Indian Merchants' Chamber and Bureau, Bombay, for information, in continuation of this Department letter No. 6,390, dated the 8th September, 1919.

G. FINDLAY SHIRRAS,

Director of Statistics.

Information required for the Department of Statistics, India.

Statistics of the manufacture of spirituous medical preparations during the year 1919, furnished by the Excise Department of.....

(a) By Government Medical Departments.

Year	Quantity manufactured.		Quantity issued to Govt. and other dispensaries.	
	Quantity (Bulk gallon)	Alcoholic content (Proof gallon)	Quantity (Bulk gallon)	Alcoholic content (Proof gallon)

(b) By private manufacture in bond.

Year	Quantity manufactured		Quantity issued duty free to charitable institutions with the consent of Government.	
	Quantity (Bulk gallon)	Alcoholic content (Proof gallon)	Quantity (Bulk gallon)	Alcoholic content (Proof gallon)

Signature.—

date Designation.—

Address.—

17th December, 1919.

No. T. 375.

From

The Secretary.

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Director of Statistics.

CALCUTTA.

Dear Sir,

I am directed by the Committee to acknowledge the receipt of your letter No. 7884 dated 28th November 1919, and to convey their thanks for having accepted their suggestion relating to the collection of Statistics about Spirituous Medical Preparations.

Yours faithfully,

J. K. MEHTA.

Secretary.

APPENDIX No. 28.

Representative of the Committee on Dyes Committee.

Copy of proceedings of the Committee interview with Sir George Barnes regarding the Dyes question :—

After the meeting had closed, the Chairman, the Hon'ble Sir George Barnes, The Hon'ble Sir Fazulbhoy, Mr. Eccles

and Mr. Soorji Vallabhdas considered as to what would be the best plan for dealing with the difficulties connected with the restrictions on Import of Dyes. It was arranged that the Committee of the Chamber should nominate one representative who would be consulted by the Collector of Customs with regard to such difficulties.

J. K. MEHTA.
Secretary.

S. R. No. 266 D. W. of 1919,

From

G. S. HARDY, Esqr., I. C. S.,
Ag. Collector of Customs,
BOMBAY.

To

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

Bombay Custom House,
1st December, 1919.

Sir,

I have the honour to refer to the discussion on the subject of the import of dyes which took place at the meeting of your Chamber at which the Hon'ble Sir George Barnes was present. Sir George Barnes explained that it was proposed to hold periodical meetings of certain interested parties to advise the Collector of Customs regarding applications for the grant of licenses, and I understand that it was agreed that your Chamber should send a represen-

tative to these meetings. I propose to hold one if possible this week, and I should be very glad to hear from you by return as to the name of your representative in order that I may fix a time and place for meeting.

I have the honour to be,

Sir,

Your most obedient servant,

G. S. HARDY.

Ag. Collector of Customs.

10th December, 1919.

No. T. 343.

From

J. K. MEHTA Esqr., M. A.

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

G. B. HARDY, Esqr., I. C. S.,

Ag. Collector of customs.

BOMBAY.

Sir,

With reference to your letter of the 1st instant S, R. No. 266 D-W of 1919, and in continuation of my letter of the 2nd instant No. T. 326, I am directed to inform you that Mr. Soorji Vallabhdas will be the representative of my Committee

for the purpose of attending meetings to be held by you regarding application for the grant of licenses for Dyes.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 29

Classification of Joint Stock Companies in India.

No. 7842.

DEPARTMENT OF STATISTICS, INDIA.

Calcutta, the 26th November 1919.

From

G. FINDLAY SHIRRAS, Esq., M.A., I.E.S.,

Director of Statistics,

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I have the honour to invite a reference to the classification of companies adopted in the statements relating to Joint Stock Companies (vide the monthly statement for September 1919, a copy of which is enclosed). This classification which was prescribed by the Government of India seems to require

revision in view of the growth of company flotation in recent years. I have, therefore. to enclose a tentative statement (marked A) of the classification relating to Joint Stock Companies in India. For purposes of comparison I also enclose a statement (marked B) showing :—

(1) the classification adopted in India ;

(2) the classification adopted in the United Kingdom (a) in the Board of Trade Journal and (b) in the Economist ;

(3) the classification as adopted by the International Statistical Institute of the Hague which is based on the classification indicated by Bertillon for the population census.

2. I shall be obliged if you will kindly assist in the matter by favouring this Department with the criticisms of your Chamber on the classification proposed in statement A and referred to in paragraph 1. I need hardly add that the object in view is to adopt that classification of companies which most commends itself to Chambers of Commerce in this country.

I have the honour to be,

Sir,

Your most obedient servant,

G. FINDLAY SHIRRAS.

Director of Statistics.

Proposed classification for adoption in the statements of Joint Stock Companies in India.

CLASSIFICATION.	CLASSIFICATION.
(a)—Banking, Loan and Insurance.	(b) Printing, Publishing and Stationery.
Banking and Loan.	(c) Chemicals and Allied Trades.
(i) Banking,	(d) Iron Steel, Engineering and Shipbuilding.
(ii) Loan,	(e) Leather, Canvas and India Rubber Trades.
(b) Insurance.	(f) Electric Light Power and Telephones
(i) Life Assurance	(g) Clay, Glass, Stone building and constructing Trades.
(ii) Provident Insurance	(h) Others.
(iii) Others.	IV.—Mills and Presses
II.—Transit and Transport	(a) Cotton mills.
(a) Navigation.	(b) Cotton ginning, pressing, bailing, etc.
(b) Railways and Tramways.	(c) Jute mills.
(c) Motor, Traction and Manufacturing.	(d) Jute Presses, etc.
(d) Docks, Harbours, Shipping Landing and Warehousing.	(e) Mills for Wool, Silk, Hemp, etc.
(e) Others.	(f) Paper mills.
III.—Trading	(g) Flour mills.
(a) Coperative Association.	(h) Rice mills.
	(i) Saw Timber mills and wood industries.
	(j) Oil mills.
	(k) Other mills and Presses.

V.—Tea and ohter Planting. Companies

(a) Tea.

(b) Coffee and Cinchona.

(c) Rubber.

(d) Others.

VI.—Mining and Quarrying.

(a) Coal.

(b) Gold.

(c) Iron and Steel.

(d) Stone and marble quarries.

(e) Others.

VII.—Estate, Land and Building.

VIII.—Breweries and Distilleries.

IX.—Ice and Aerated Water.

X.—Sugar Manufacture.

XI.—Hotels, Theatres, Entertainments

XII.—Companies other than those specified above.

Present Classification of Companies in India and in certain other countries.

Classification adopted in India.	Classification adopted in the annual summary in United Kingdom.	Classification adopted in the form of International Institute of the Hague.
I. Banking, Loan and Insurance.	(a) As adopted in the Board of Trade Journal.	I. Exploitation of the surface of the earth.
(a) Banking and Loan.	I. Coal, Iron and Steel	(a) Agriculture
(b) Insurance.	II. Mining (other than coal and Iron)	(b) Fishery
II. Trading :—	III. Textiles	(c) Other
(a) Navigation	IV. Brewers and Distillers	II. Extraction of minerals
(b) Railways and Tramways	V. Rubber and oil	(a) Mines Coal Metallic.
(c) Co-operative Association	VI. Transit and Transport by land and water	(b) Quarries
(d) Shipping Landing and warehousing	VII. Gas water, Electric Light and Power Draining etc.	(c) Others
(e) Printing publishing and stationery.	VIII. Land	III. Industry
(f) Others	IX. Finance, Banking Discount and Interest Insurance.	(a) Textiles
		(b) Hides, Skins etc.,
		(c) Metallurgy e. g. Porges and foundries

Classification adopted in India.	Classification adopted in the annual summary in the United Kingdom.	Classification adopted in the form of International Institute of the Hague.
III. Mills and Presses		(d) Cermic
(a) Cotton Mills	X. Others	(e) Chemical products manufacture of paper
(b) Jute Mills	(b) as adpoted in the Economist.	(f) Industries of food
(c) Mills for wool silk, hemp etc.	I. Mines	(i) Sugar refineries.
(d) Cotton and Jute Screw Presses.	II. Exploration, financial investment, trust	(ii) Brewerie and Manufacture of salt
(e) Paper Mills	III. Merchants, Importers etc.,	(iii) Distillers and manufactures of liquors
(f) Rice mills	VI. Manufacturing	(iv) Manufacture of tobacco
(g) Flour mills	V. Stores and Trading	(v) Water
(h) Saw and Timber mills	VI. Estate and Land.	(vi) Others
(i) Other mills and Presses	VII. Rubber	(g) Building
IV. Tea and Other Planting Companies	VIII. Oil	(b) Production and transmission of physical forces (heat, light electricity motion power etc.,) Gas
(a) Tea	IX. Iron, coal, steel and engineering	
	X. Electric light power and telegraph.	

Classification adopted in India.	Classification adopted in the annual summary in the United Kingdom.	Classification adopted in the form of International Institute of the Hague
(b) Coffee and Cinchona		works Manufacture of electricity.
(c) Others	XI. Motor traction and manufacturing	(i) Furnaces
V. Mining and Quarrying	XII. Gas and water.	(j) Others
(a) Coal	XIII. Hotels, threatres, and entertainments	IV. Transport
(b) Gold	XIV. Patents and proprietory articles	(a) Canals, Docks, Forts
(c) Others	XV. Docks, harbours and shipping	(b) Railway
VI. Land and Building.	XVI. Banks and Insurance	(c) Telegraph and Telephone.
VII. Breweries	XVII. Miscellaneous.	(e) Others
VIII. Ice manufacture.		V. Trade
IX. Sugar manufacture:		(a) Banks establishment of credit
X. Others,		(b) Banks advancing money on security of landed property
		(c) Insurance Companies.
		(d) Hotels, Cafes, restaurants, drinking houses.
		(e) Others
		IV, Miscellaneous

9th Februaay, 1920.

No. T 551.

From

J. K. MEHTA, Esqr., M. A.,
Secretary,
The Indian Merchants' Chamber and Bureau.
BOMBAY,

To

The Director of Statistics,
CALCUTTA.

Sir,

With reference to your letter of the 26th November 1919 No. 7842, I am directed to inform you that my Committee approve of the classification proposed in statement A. They should like however suggest that Classification No. 3 Sub-Classification (f) should be made more comprehensive by adding the words "Gas and Water" before Electric Light etc.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary,

APPENDIX 30

Amalgamation of the Indian Commercial Congress with the Indian Industrial Conference.

Bombay, 24th November 1919

To

The Secretary,
Indian Merchants, Chamber of Commerce,
BOMBAY

Dear Sir,

In connection with the proposal to convene a Conference of Indian Chambers of Commerce in January it has been

suggested that this Conference should be amalgamated with the Industrial Conference which is to be held next year at Bombay in the latter part of January. It is felt that the acceptance of this proposal will mean an added strength to both the bodies and it will be possible to maintain their activities throughout the year. I may mention that the proposal has been approved by the Hon'ble Sir Fazulbhoy Currimbhoy Kt., who has directed me to address you in this connection. You will kindly let me know if your Committee approve of the idea as soon as possible. If no reply is received within a fortnight of this letter your approval will be taken for granted.

Yours faithfully,

J. K. MEHTA.

Secretary.

19th December, 1919.

No. T 344.

To

The Secretary.

The Associated Indian Chamber of Commerce,

BOMBAY.

Dear Sir,

With reference to your letter of the 24th November 1919 I am directed to inform you that my Committee approve of the proposal of amalgamating the Industrial Conference with Commercial Congress.

Yours faithfully.

J. K. MEHTA.

Secretary.

APPENDIX 31.

Rouble note ordinance No. 7 of 1919.

Bombay, 8th December, 1919.

The Secretary

Indian merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

I wish to draw your attention to the 3rd column last para p. 13th of to-day's Bombay Chronicle saying :—

Delhi 6th December,

An ordinance has been issued to-day prohibiting the possession of Russian rouble notes. Possession has been made punishable with imprisonment of three years, fine or both and confiscation.

I shall thank you to inquire further into this matter as many merchants and bankers possess rouble notes as far as I am informed and whether they will all be sent to prison.

Yours faithfully,
O. H. NAZAR.

ROUBLE NOTES ORDER.

Protecting Indian Finnace.

(THROUGH ASSOCIATED PRESS.)

DELHI. December 16

The following Press *communique* is issued:—In connection with the recent Ordinance against the rouble note it should

be remembered that the whole trouble has arisen through the unscrupulous manner in which the present rulers of Russia are turning out these notes by the million without currency backing. From Tashkent alone, it is believed, that almost four million rouble notes are being issued every day. In Afghanistan a boycott of these worthless pieces of paper has already commenced, and the Government of India's drastic step will have the effect of protecting the mercantile community of India from a loss which threatens to grow more serious every day.

The present trade in these notes is a heritage from the days when the rouble note had a cash backing. Now it is merely a scrap of paper. To allow this trade to continue under the present circumstances would have been to neglect gravely the safety of Indian finance and to play directly into the hands of the Bolshevist troublemakers.

For the protection of those who now hold rouble notes they are permitted either to export the notes or else to deposit them in a Government office or treasury against the day when a securely-placed Russian Government may place the note-currency upon a sound footing. To allow these notes under the present circumstances to masquerade as valuable commodities would be suicidal to Indian finance.

The following telegram was sent by the Committee to Government of India, commerce Department, on 10-12-19.

The Committee of the Indian Mercheants' Chamber have viewed with grave concern the Rouble Note Ordinance No. VII of 1919 as it will adversely affect a large class of merchants who have invested in rouble notes or have acquired them in the ordinary course of business. Business in these notes has been legitimately carried on for a long time and with

confidence specially as Russia was one of the Allied Powers. Even after the Russian revolution no warning was given by Government though presumably they were aware of large transactions taking place in these notes. The Ordinance has roused great consternation in commercial circles specially as even possession of these notes acquired in bonafide and legitimate way has been made a criminal offence. Committee are in dark regarding objects of such an Ordinance and pray that a communique be issued giving reasons for its issue to allay public apprehensions. Awaiting such publication they strongly urge that only transactions in rouble notes be made illegal and not mere possession; that possessors may be required to declare their notes and deposit them with Government and that conditions of license referred to in Subsection (2) Section 4 of the Ordinance be made public. Committee would further like to know names of Allied and Neutral countries which have prohibited import of such notes as parties affected anxious to know to which countries export possible.

Jehangir Petit, Chairman.

GOVERNMENT OF INDIA.
HOME DEPARTMENT.
(Political.)
No. 2701.

From
The Hon'ble Mr. H. McPHERSON C. S.I.
Secretary to the Government of India.

To
The Chairman,
Indian Merchants' Chamber.
BOMBAY.

Delhi, the 29th December 1919.

Sir,

With reference to your telegram dated the 10th December, 1919, addressed to the C. & I. Department, I am directed to

forward for your Committee's information a copy of a communique which was issued by the Government of India on the 22nd instant, explaining the reasons which led to the promulgation of the Rouble Notes Ordinance and the procedure which is intended to be followed in the matter of deposit and import. Further details may be had on application to the Local Government.

2. The Government of India are unable to advise you regarding the countries to which export of rouble notes is possible.

I have the honour to be,

Sir,

Your most obedient servant,

H. McPHERSON.

Secretary to the Government of India

COMMUNIQUE.

The following note regarding the objects of the Rouble Notes Ordinance and the procedure to be observed in the deposit and the export, under prescribed condition, of Robule Notes is published for general information.

The import and export of rouble notes were prohibited about two years ago in order to check the unhealthy speculation which was then prevailing. The Government of Ind a have now received information that rouble notes are being manufactured by hundreds of Millons without any currency backing and that in spite of the prohibition of import, these worthless notes have been smuggled in considerable quantities into India where it is apprehended that they will be used for the furtherance of Bolshevist propaganda. They have accordingly

by the Rouble Notes Ordinance declared the possession of rouble notes to be illegal, but in order to protect the innocent holders of such notes, have made provision for the temporary deposit or export of existing stocks in accordance with the procedure outlined below.

The ordinance provides that no person shall have in his possession any rouble note after the expiry of a period of six weeks from the date of its commencement. During the period all holders of such notes will be required either:—

(a) To deposit their holdings in a Government currency office or treasury without compensation, or

(b) To export them to any place outside India. If the notes are not exported within the sepcified period, they should be deposited at the currency office at places where there is such an office and elsewhere at the Government treasury, and these offices will grant a receipt for the notes. As far as possible notes hould be tendered in sealed boxes or covers bearing the tenderer's seal, and in this case the receipt given will be for a sealed box or cover said to contain rouble notes of the value of roubles, and the currency office or treasury will accept no responsibility for the contents. If individual notes are tendered the receipt will specify the value of the notes deposited with details by denomination but the currency office or treasury may protect itself by requiring the tenderer to sign or initial each of the notes before deposit. A register will be maintained at currency offices and treasuries showing the date of deposit of

rouble notes, the name and address of the depositor, and if notes are tendered individually the value of the notes deposited, with details of denominations, or otherwise their alleged value. The register will also have columns to show the date of withdrawal and the number of the license.

A depositor will be allowed to withdraw notes so deposited only on the production before the currency or treasury officer of the license issued by the District Magistrate or the Commissioner of Police in Presidency towns. A depositor can obtain a license without fee on application, stamped with a one-anna stamp, to the officer empowered to issue it, if the latter is satisfied that there is no objection to the issue of the license.

The depositor will present this license to the currency or treasury officer who will then, if the license is in order, make over the notes to the depositor on the surrender of the receipt previously granted by him, and will enter in the register mentioned above the date of withdrawal on the authority of a license duly presented and of the number of license. The depositor may retain notes thus withdrawn with a view to export for a period not exceeding ten days. In order to export them he should within this period present his license with the notes for export either to the customs authorities or to the post office, according to the means of export which he desires to use. The customs officer or the post officer, if satisfied that the license is in order, will pass the parcel for export or register it as the case may be. The license will be retained by the customs or the post officer, and it will be returned with an endorsement to the issuing authority to the effect that the notes have been accepted for export.

Depositors should note that after the period of six weeks referred to in section 3 of the Ordinance, during which the export of rouble notes will be unrestricted, export by post will be confined to the following post-offices:—

Presidency Post Offices at Bombay, Madras and Calcutta; and the Post offices at Belgaum, Karachi, Quetta, Duzdap, Koh-i-Malik siah-Ziarat, Danuskodi, Negapatam, Pondicherry, Rangoon, Aden and Peshawar.

A speciment form of license is appended.

Delhi the 22nd December 1919.

License to export Rouble Notes.

.....son of.....
address.....is hereby licensed to export from India to.....rouble notes of the face value of roubles.....

This license shall be authority for the withdrawal of the notes from any currency office or Government treasury within the jurisdiction of the issuing authority where they may have been deposited, or for their acceptance for export by any customs or postal official.

Any notes covered by this license which are withdrawn from a Government treasury or currency office must be exported within a period of ten days from the date of withdrawal.

This license should be returned to the issuing authority by the customs or postal authority who passes for export the notes covered by it.

No.....
Dated.....

District Magistrate.

Commissioner of Police.

29th December, 1919.

From

J. K. MEHTA Esqr., M. A.

Secretary,

The Indian Merchant's Chamber and Bureau

BOMBAY.

To

The Secretary,

Commerce and Industry Department.

Government of India.

DELHI.

Sir,

I am directed to remind you of the telegram of my Committee dated 10th instant confirmed by my letter of the 11th instant No. T 544. It appears however that a communique has been issued by the Government explaining the reasons which made the recent Ordinance against the rouble notes necessary in the opinion of the Government. My Committee are sorry to note that even this communique has not made clear some of the points mentioned by them in their original telegram. One of the main reasons for the protest of the commercial community against the rouble notes Ordinance is that it makes even the possession of these notes a criminal offence. Government are no doubt aware that a large trade had been going on between Russia and India during the early part of the war when Russia was an allied country. It may be presumed that some of these notes atleast must have come to this country in the natural course of such a trade and it is considered hard on the present possessors that even their

possession is declared a criminal offence. My Committee therefore prayed in their original telegram that only transactions in rouble notes be made illegal and not mere possession and that possessors might be required to declare their notes and to deposit them with Government. They also requested that conditions of license referred to in Subsection (2) Section 4 of the Ordinance be made public, and wanted to know names of Allied and Neutral countries which had prohibited import of such notes, as parties affected were anxious to know to which countries export was possible. The communique issued by the Government does not give any information on all these points and my Committee will be greatly obliged if any early explanation is given by Government with regard to all these questions. Such an explanation is urgently necessary to allay public consternation.

I beg to remain,
Sir,
Your most obedient Servant.
J. K. MEHTA,
Secretary.

APPENDIX 32.

Charging of Extra Wharfage fees by the Port Trust Railway, Bombay.

Bombay 9th December, 1919.

To
The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

Dear Sir,

We beg to forward herewith a copy of our letter we have addressed to the Manager, Bombay Port Trust Railway from

which you will see nature of our grievance and we shall thank you to kindly place it before the right channel through your medium and to arrange that your representative takes up the matter to remedy the same with the authority concerned.

Thanking you in anticipation,

Yours Faithfully.

R. L. ELLAVIA,

per pro. H. J. HORMUSJI & Sons.

9th December, 1919.

The Manager,

The Port Trust Railway.

BOMBAY.

Dear Sir,

With reference to the Rice Shipments that are arriving for us from Rangoon we regret very much to state that the system of charging extra wharfage fees, is very unjust and exacting, on Merchants as stated below.

We have got the license to import Rice direct from Rangoon for H. E. H. the Nizam's Dominions and as such the Rice Bags must be despatched direct from the Docks to this terrritory. Not even a single bag can be taken into the city of Bombay. So requisition for wagons is made in time, but we never receive the wagons promptly. Our cargo received per S. S. "Quiloa" was landed in the Alexandra Docks and after running from the Hammallage department to the Foreman in charge of wagons and again to the Manager Port Trust Railway, all without any avail; we finally applied to the G. I. P. Railway (operative branch) in person. We commenced loading even before the full cargo was landed, but owing to the

shortage of wagons we were unable to book some portion of the cargo. You can see from the above circumstances that there was no fault of ours, and we do not understand why we should be charged extra wharfage. We may add that there are many difficulties even with the lower officials in getting the bussiness done honestly. It is really risky to make such a complaint but our experience compels us to do so and it is desirable that Heads of the Departments should find out for themselves how Merchants are put to unnecessary trouble and worry. If it is not out of place, we may also inform you that the wagons we tried and secured from your department after much difficulty were handed over by the authorities concerned in the Docks to other Merchants. Laymen cannot understand, and are not aware of all the technicalities of the department which enables the authorities to take all these advantages, We may give you an instance that on 23rd ulto we had paid extra fees to keep the Dock open on Sunday, when we had great trouble as the line was not clear and we had stopped work for three hours. With great difficulties, we filled up 27 wagons and in the last wagon there were two bags short and we had to take two or four minutes extra to fill it up. The loader gave such a trouble over it and would not accept receipt, which was however managed afterwards. Well, on the 28th ulto, one merchant named Amarchand Madhavjee was found to load wagons till 6-50 p. m, and nobody questioned him. The same merchant had again the audacity to quarrel with our men and threw away a few of the bags from the wagon No. 23479. which we were loading and forcibly took possession of the same. The loader fought with him very hard and even sent a note in the Foreman's office, on which the assistant Foreman Mr. Antony came on the spot to whom everything was explained. But

nothing came out of it and Mr. Amerchand Madhavjee's man had his own way. These are all points for consideration.

At this opportunity we may also bring to your notice that it is very difficult for one to understand how to requisition wagons when, less wagons than applied for, are supplied. For, he cannot make out how many wagons he should apply for on the next day and at times he is left waiting too long in rotation with other applications. If he becomes hasty and puts in a further application he may have to suffer still further for extra wharfage.

We may further point out that it is really unfair for you Port Trust to have issued the working order No. 671 in which the clerk making out Railway Receipts is strictly ordered to put remarks on the receipts "Bags Wet" "Bags old and torn contents dropping etc., The clerk making out receipts does not see the loading at all but such remarks are indiscriminately made on each and every receipt by your order. This procedure puts the merchants to great inconvenience and difficulty as the buyers on the other side take advantage of such remarks and create disputes and claims. Only sound bags are generally loaded as all torn bags and contents falling are left back for survey and claims made from the Steam Ship Co. It is therefore very unjust that such open orders be given, by which consignors suffer, weights of bags are taken in the rule as 2 maunds, whereas it contains more, by which procedure the railway suffers a loss and create dispute with the buyers on presumption that Railway will not allow a less weight than what is actually sent.

We therefore hope that you will consider the letter in the light of a justified complaint for the benefit of the public and we have no further interest in the business, as actually looking to all these troubles, we have closed this class of business

having even refused further orders from Hyderabad side, but trust for justice's sake you will not charge us any extra wharfage which might have accrued owing to no fault of ours.

Hoping to be excused for this lenghty letter and also for the trouble we are giving you.

We beg to remain,

Dear Sir,

Your most obeident servants,

H. J. HORMASJI & SONS.

Copy forwarded to the Indian Merchants' Chamber and Bureau, Bombay for information and further necessary action for the good of the Bombay merchants.

20th December 1919.

No.T. E. 192

From

The Manager,

To

Messrs H. J. HORMUSJI & SONS.

Ismail Building, Hornby Road,

BOMBAY

Supply of empties.

Your letter of 9-12-1919.

SIR,

I have the honour to state that your letter of the 9th December has been duly enquired into.

Your reference to the loader presumably applies to the Port Trust Tally Clerk who is a member of the Dock Department.

The question of wharfage also rests with that Department and I suggest that you communicate with the Manager, Bombay Port Trust Docks on the subject.

As regards wagon supplies, I understand special arrangements were made to meet your indent for 40 wagons on Sunday the 23rd November but although the full number was supplied only 27 were utilised and the indent for the balance was cancelled. Had it not been for this you should not have suffered at all by the subsequent shortage of wagons.

However your indents were duly completed and your reference to a portion of the cargo remaining unbooked owing to a shortage of wagons is not understood.

As regards the indents of the 28th my information is that Amarchand Madhowji & Co, availed themselves of a wagon as your men had not turned up. They had partly loaded it when your coolies arrived. It was not a case of your bags being thrown out to give the wagon to Amarchand Madhawji & Co. In any case your requirements for the day which were for 5 wagons were duly completed the same day.

As regards your reference to Working Order No. 671 the remarks you refer to are only made when they are justified.

I have etc.,

Ag. Manager.

Copy forwarded, with compliments, to the Indian Merchants' Chamber and Bureau, Bombay, for information.

Ag. Manager.

29th December, 1919.

No. T 402.

To

Messrs H. J. HORMUSJI, & Sons.

Dear Sirs,

Your letter of the 9th instant was considered by the Committee of this Chamber held on the 23rd instant. Before the Committee meeting a copy of the reply of the Bombay Port Trust to your letter of complaints was received and my Committee will be much obliged if you will kindly send your views regarding the explanation forwarded by the Port Trust.

Yours faithfully,
J. K. MEHTA.
Secretary.

APPENDIX 33

Shortage of Railway wagons

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

19, Bank Street, Fort
Old Telephone Buildings,
Bombay, 29th November 1919,

No. T. 312,

Dear sir,

With reference to some remarks made by Mr. J. B. Petit, Chairman of this Chamber, at the interview that my Committee had with you on Wednesday the 26th instant, you said that it was the opinion of many experts that wagons were enough if

only the best use were made of them. The Hon'ble Mr. Purshottamdas Thakoredas had been in communication with the East Indian Railway in connection with the great delay to cotton from Ettawah to Bombay at the Ettawah Station. He got the Chairman of the Cotton Contracts Board, Bombay, to write to the General Traffic Manager, East Indian Railway enquiring in this connection and I beg to enclose herein the original of a memorandum to the Hon'ble Mr. Purshotamdas Thakoredas from the Chairman, Cotton Contracts Board, which I feel sure will interest you. Similar complaints had reached this Chamber from several of its members before the date of your interview with my Committee and the same would have been mentioned at your interview, but for shortness of time at your disposal on the occasion. My Committee hope that the enclosure and the subject referred to therein will receive prompt and favourable attention at the hands of the Railway Board and that the Chambrs of Commerce in Bombay and the various trades associations, such as the Cotton Contracts Board, the Grain Merchants' Association and the Piece goods Merchants' Association in Bombay will be kept informed of restrictions imposed on bookings of goods to and from Bombay.

Yours faithfully,

J. K. MEHTA.

To

The Hon'ble Sir George Barnes, K. C. B.,

Member for Commerce and Industry,

Government of India,

DELHI.

No. His 269-4 Pt. 1-CA-X.

Calcutta, November, 25th 1919.

From

The General Traffic Manager,

East India Railway Company,

To

The Chairman,

Cotton Contracts Board,

Dear Sir,

Re Booking of Cotton.

Your wire of the 22nd instant.

Loading is at present confined to preferential and certificated traffic only due to the shortage of empty wagons, but the District Superintendent, Tundla, has been instructed to accept for despatch all consignments of Cotton without certificates as soon as free loading is resumed.

Yours faithfully.

(Sd.) Illegible,

General Traffic Manager.

Cotton Contracts Board,

Bombay 28th November 1919.

No. 1450 of 1919.

Copy forwarded with compliments to Hon'ble Mr. Purshottamdas Thakoredas C. I. R. for information.

(Sd.) Secretary.

Delhi 5th December

No. 496.

Dear Sir,

I am sending your letter of the 29th November relating to railway wagons on to the Railway Board, and you may rest assured that they will give it attention.

Yours faithfully,

G. S. BARNES.

The Secretary,

The Indian Merchants' Chamber and Bureau,

19, Bank Street Bombay.

No. T 553

10th February 1920

From

J. K. MEHTA, Esquire, M. A.,
Secretary,

The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Secretary,

Railway Board,

DELHI.

Sir.

Mr. Jehangir Bomanji Petit, Chairman of this Chamber, at the recent interview of my Committee with the Hon'ble

Sir George Barnes, K. C. B., Member for Commerce and Industry, Government of India, drew his attention to the hardships which are being at present experienced by the commercial and industrial community in consequence of the existing shortage of wagons and expressed the hope that the grievance would be removed and efficiency restored as soon as possible. The Hon'ble Sir George Barnes replied that it was the opinion of many experts on this subject that there were enough wagons in the country ; but that what was really wanted was that the best and most advantageous use was made of them. A letter was addressed on behalf of my Committee on the 29th November 1919 to the Hon'ble Member drawing his attention to a specific instance for the shortage of railway wagons. My Committee are informed that t is letter has been transferred to your Board. In this connection I am desired by my Committee to bring to your notice complaints received by them from the Bombay Native Piece-goods Merchants' Association and from a member of this Chamber. The Association complains that piece-goods merchants experience very great difficulty in getting their goods despatched to up-country by the B. B. & C. I. and G. I. P. Railways. It is stated that considerable delay is caused in despatching goods to their destination with the result that trade suffers very severely. The member referred to above draws attention to the very serious hardship caused to his firm in consequence of the withholding of wagons for weeks together by the G. I. P. Railway for conveying the outturn of his mills at Burahanpur to Delhi, Amrtisar and other countries. This member addressed a letter to the G. I. P. Railway also complaining that for over eight weeks not a single wagon had been placed at his disposal and that heavy stocks of goods had consequently accumulated at his mills, thereby putting him to very great loss.

My Committee trust that these complaints with the one previously mentioned to the Hon'ble Sir George Barnes will receive the early and favourable consideration of your Board, specially in view of the coming trade season which is expected, to be a specially busy one. The Hon'ble Sir George Barnes in his reply referred to above observed that the present position might be eased by the recent decision of the Railway Conference to establish a pool of wagons.

My Committee will be obliged if you will kindly let them know when this proposed arrangement is likely to come into existence and whether it is expected to remove the present difficulty of the commercial community to any very material extent.

I beg to remain,
Sir,
Your most obedient servant,
S. M. MUZUMDAR.
for Secretary.

GOVERNMENT OF INDIA.
No. 72 T 20.
Delhi, Dated the 25th of February 1920

To
The Secretary,
Indian Merchants' Chamber and Bureau,
Old Telephone Buildings,
19, Bank Street,
BOMBAY.

Sir,

In acknowledging the receipt of your letter No. T 553, dated the 10th February 1920, I am directed to state that the question of wagon supply is receiving close attention and that the positon is being considered at a spcial meeting of represen-

tatives of railways which is being held in Calcutta this week. As the Chamber are no doubt aware, railways, with their depleted resources, are being called upon to handle an abnormal traffic, particularly coal for Sea ports, which should ordinarily go by the sea route. Immediately the Armistice was declared special arrangements were made for a liberal supply of engines and rolling stock to compensate for the shortages and deterioration of stock which had accumulated during the war-period, but owing to the conditions prevailing in England during the last 12 months deliveries of these have not been coming forward in the manner anticipated. The Railway Board regret the inconvenience and delays which in consequence are being experienced by merchants, but until their orders are met (every endeavour is being made to expedite compliance with them) and the shipping position improves it will not be possible to avoid some delay in dealing with the whole of the abnormal traffic offering.

I have the honour to be,
Sir,
Your most obedient Servant,
S. D. MANSON.
Assistant Secretary, Railway Board,

29th March, 1920.

No. T. 879.

From
The Secretary.
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To
The Secretary,
Railway Board.
DELHI.

Dear Sir,

I am directed to aknowledge the receipt of your letter of the 15th February, 1920, No. 72 T-20. My Committee

are glad to note that the question of the shortage of wagons has been considered important enough to be referred to a Special Conference for discussion. They however regret to note that the Government have not sufficiently appreciated the strength of comercial and industrial feeling on this question, as the Conference was apparently made an exclusively official affair and no representatives of the commercial public were invited to take part in it. Nor have its proceedings been so far published. My Committee need not remind the Government of the fact that when the coal question became very acute in 1916, a Conference was held in Calcutta where the representatives of all the Chambers of Commerce, were invited to discuss it. It is to be wished that such a course had been followed with regard to the question of the present shortage of wagons, which is certainly of the same, if not greater importance. My Committee realise that owing to the conditions prevailing in Enland during the last 12 months deliveries of stocks have not taken place in the manner anticipated. But they cannot believe that this difficulty alone is responsible for the very serious inconvenience and loss to trade, occasioned by the present shortage. They would like to know the progress made with regard to the scheme of the pooling of wagons referred to by the Hon'ble Sir George Barnes in his speech at the interview of my Committee with him. It is hoped that the Government will be pleased to devote to this question their best and most urgent attention in order to relieve the public of the hardships arising out of the shortage of wagons which continues to militate very seriously against the normal and healthy growth of the trades and industries of this country.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX 34

Civil aviation in India.

No. 7526.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Simla, the 19th September, 1919.

From

G. L. CORBETT, Esquire, I. C. S.

Deputy Secretary to the Government of India.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

Sir,

I am directed to address you on the subject of the development of civil aviation in India. The Government of India are advised that at the present stage of development any scheme of air transport should be governed by two main principles, which I am now briefly to explain.

2. Firstly, by far the most costly part of air transport is maintenance, and security requires that the maintenance service should be of the highest efficiency. But the speed of aircraft is so great, and the range so wide, that a single maintenance organisation will serve a very large area. The Government of India are, in fact, advised that maintenance centres at seven places, namely, Bombay, Calcutta, Madras, Karachi, Delhi, Nagpur and Rangoon, would be sufficient for the service of all probable routes in India and Burma. Moreover, when once the necessary maintenance centres have been

established, the machines for further expansion can be added without greatly increasing the cost of upkeep. Owing to the high cost of maintenance, therefore, it is desirable that the utmost advantage should be taken of the inherent features of air transport, namely speed and range, in order that maintenance centres may develop their full power. On the other hand, if maintenance centres are unnecessarily duplicated, the prospect of financial success will be seriously prejudiced.

Thus the first principle is that a large organisation with a few well placed maintenance centres is economically more sound than several small organisations involving many maintenance services.

3. Secondly, the development of aircraft is now very rapid and types of machines and engines are constantly changing. The cost of maintenance is reduced proportionately by the speed and endurance of the machines used, which affect, in particular, the engine over-haul for distance flown, the life of the machine, fuel distribution, the number of aerodromes required, and personnal and workshops. It is important, therefore, that an air transport organisation should be absolutely free in its choice of machines.

The second principle, then, is that an air transport oganisation should not be dependent on any particular aircraft construction company.

4. In accordance with these two principles, the Government of India, after taking the best technical advice available, are inclined to the opinion that civil aviation will best be developed in India by the grant of a monopoly for a term of years for the carriage of mails by air, throughout India and Burma, to a single air transport company, which should be

independent of any particular aircraft construction company, The monopoly would be limited to the carriage of mails, and the postal rates would be fixed by Government. The Company would have a free hand in fixing rates for the carriage of other goods and passengers in open competition with any other companies which might be established for such traffic. It must be recognised, however, that a mail monopoly company, with a well organised system of maintenance centres, would probably be able to shut out competition for other traffic, unless it abused its position.

5. The terms of such a monopoly will require careful consideration and discussion with the commercial interests concerned. It is suggested that you should place this letter before the members of your Chamber, and that any firms or groups of firms which are interested in the development of civil aviation in India should then communicate to this Department, as a basis for discussion, the conditions which would be agreeable to them. Any such communication would, of course, be treated as confidential, if so desired.

I have the honour to be,

Sir,

Your most obedient servant,

G. L. CORBETT.

Deputy Secretary to the Government of India.

27th December, 1919.

No. T 399.

From

J. K. MEHTA, Esqr., M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

G. L. CORBETT, Esqr., I. C. S.,

Deputy Secretary to the Government of India.

Commerce and Industry Department,

Government of India.

SIMLA.

Sir,

With reference to your letter of the 19th September, 1919, No. 7526 I am directed by the Committee of this Chamber to send hereby the following extract from the speech of the Chairman of this Chamber at their interview with Hon'ble Sir George Barnes, K. C. B., Member for Commerce and Industry, Government of India. This extract represents the views of my Committee with regard to the question of the development of Civil Aviation in India.

"With regard to Civil Aviation my Committee would like to recommend that a definite period should be fixed for the granting of the proposed subsidy and monopoly. The Government are no doubt aware how the original subsidis granted to the P. & O. Steam Navigation Company, were renewed from time to time and were subject of a long and animated controversy in the House of Commons, and also how enlightened criticism was able to bring down subsidies. It is observed by the Government that the Company would have a free hand in

fixing rates for the carriage of other goods and passengers in competition with other Companies that might be established for such a traffic. What little chance such companies would have of successfully competing with a concern in the enjoyment of a monopoly and subsidy from the Government, was conclusively shown by Mr. Rathbone who moved in the House of Commons on the 4th August 1874 and the Contract with the P. & O. Steam Navigation Company, should not be confirmed that session. The opinion expressed on that occasion by Mr. Rathbone would apply to-day with even greater force to any contract Government may think fit to make with any Civil Aviation concern, and my committee trust that advantage will be taken of past experience at the time of entering into such a contract. My committee hope that the subsidy will be accompanied by an injunction to fix fair and reasonable rates for the transport of passengers and goods, compatible with the development of aerial service in the near future. As far as goods are concerned, my Committee need not remind the Government of the burdensome rates on goods which the State Railways including the former guaranteed companies used to charge and against which numerous petitions were sent to the Government from time to time. Having regard to the solicitude of the Government for the industrial development of the country, it is essential that a transport company in agreement with the Government, should not be allowed to carry goods at a rate which would prove burdensome and be the subject of future agitation and controversy."

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

APPENDIX 35

Increase in the Karodgiri Tax in His Exaltcd Highness the Nizam's territory,

Bombay, 17th December, 1919.

To,

The Secretary,

Indian Merchants' Chamber and Bureau.

BOMBAY.

Dear Sir,

We much regret to have to bring to your notice that the "Karodgiri" (tax) hitherto charged on cotton exported from the Dominions of His Highness the Nizam has been this year doubled and declared to be charged accordingly without giving any cause or even any previous intimation to the mercantile community of His Highness' intentions to do so. This cent per cent increase in the "Karodgiri" will make the cotton very dear to the buyers as will be remembered that many merchants would have bought cotton without calculating for this increase which has been levied without due notice previously given as otherwise the buyers would not have paid the price they did or to say they would have paid prices less by the percentges increased.

We request you therefore to very kindly take the matter up with His Highness' Government so as to induce them to bring the taxation to its original limit.

Yours faithfully,

THACKERSY MOOLJI. & Co,

From

Bombay January, 21-1920

No. T 425

J. K. Mehta, Esquire, M. A.,

Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Director of Industries and Commerce,

His Exalted Highness the Nizam's

Government ;

HYDERABAD.

Sir,

The attention of my Committee is drawn to the fact that the " Karodgiri " (Tax) hitherto charged on cotton exported from the dominions of His Exalted Highness the Nizam's Government has been this year all of a sudden doubled and declared to be charged accordingly. Such a large increase in the tax will make your cotton very costly to the buyers as generally merchants from outside buy cotton in your State from agriculturists or in the local market and will have therefore to pay the enhanced export duty. Hyderabad cotton has been in good demand from both our cotton merchants and mill agents and my Committee fear that the increase in the export duty will tend to drive these constituents out of the Hyderabad market. My Committee hope therefore that His Exalted Highness the Nizams' Government will be pleased to reconsider this question and to withdraw the increase recently made in the export duty on cotton, or atleast allow the merchants time to work off the contracts

already made previous to the sudden enhancement of duty to the extent of double of what it was before.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 36.

The Colouring of Currency Notes,

No. 8683 of 1919.

Financial Department.

Bombay Castle, 29th December 1919.

From

A. F. L. BRAYNE, Esqr., I. C. S.,

Deputy Secretary to the Government of Bombay;

To

The Secretary,

Indian Merchants' Chamber and Bureau.

Sir,

I am directed to state that the Government of India are at present considering certain new designs for currency notes, and that it is proposed to differentiate the various values by printing on coloured paper. It has been suggested that the use of blue colour would be likely to prove unpopular, as it is regarded among Hindus as an inauspicious colour. I am to request that you will favour Government with the opinion of your Chamber whether they consider this sentiment likely to prejudice

the popularity of currency notes in Bombay, or whether certain tones of blue, for instance, navy blue, would be unexceptionable.

2. I am further to request that the reply of your Chamber may be sent within seven days.

I have the honour to be,

Sir,

Your most obedient servant,

A. F. L, BRAYNE.

Deputy Secretary to Government.

No. T 452

14th January, 1920

From

J. K. MEHTA, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

A. F. L. BRAYNE, Esquire, I. C. S.,

Deputy Secretary to the Government of Bombay ;

Financial Department ;

BOMBAY.

Sir,

With reference to your letter of the 29th December 1919 No. 8683 of 1919, my Committee are of opinion that dark blue would be considered as inauspicious by Hindus.

There would be however no objection to having light blue or sky blue colour of notes.

I beg to remain,
Sir,
Your most obedient Servant.
J, K. MEHTA,
Secretary.

APPENDIX No. 37.

Holidays enjoyed under the Negotiable Instruments Act.

No. 8760 of 1919.
Financial Department.
Bombay Castle. 30th December 1919.

From

H. F. KNIGHT, Esquire, I. C. S.,
Under Secretary to the Government of Bombay ;

To

The Secretary,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed to state that Government have had under consideration the question of the number of holidays which their servants enjoy throughout the year. I am to observe that while the sectional holidays are enjoyed only by certain classes of the community and are not given as a matter of course, all Government servants are considered as entitled to the holidays under the Negotiable Instruments Act. The total number of days thus enjoyed is 28 in the year, and in the opinion of the Governor in Council, the interruption of

work at intervals on so many occasions is undesirable. It is perhaps possible that a sensible reduction might be effected in the number of such general holidays by transfer to sectional holidays. I am to request that Government may be favoured with the opinion of your Chamber on the point. A very early reply will be much appreciated.

I have the honour to be,
Sir,
Your most obedient servant,
SHAMRAO D. MANKAR.
For Under Secretary to Government.

N. T 451
14th January, 1920

From
J. K. MEHTA, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
H. F. KNIGHT, Esquire, I. C. S.,
Under Secretary to the Government of Bombay ;
Financial Department,
BOMBAY.

Sir,

With reference to your letter of the 30th December 1919 No. 8760 of 1919, I am directed by the Committee of this Chamber to inform you that in their opinion it is not possible to reduce the number of holidays under the Negotiable Instruments Act.

I beg to remain,
sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

APPENDIX No. 38

Recommendations of the Indian Industrial Commission on the Collection of Commercial Intelligence.

No. 14609 of 1919.

Revenue Department.

Bombay Castle, 12th December 1919.

From

The Hon. Mr. P. J. MEAD, C. I. E., I. C. S.,

Chief Secretary to the Government of Bombay ;

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

SIR,

I am directed to forward a copy of a letter from the Government of India on the subject of the Indian Industrial Commission's recommendations relative to the collection of commercial intelligence and to request that Government may be favoured with the Chamber's views on the points dealt with in paragraphs 6 to 9 of the letter by 23rd instant.

I have the honour to be,

Sir,

Your most obedient servant,

P. J. MEAD,

Chief Secretary to Government.

No. 7658.

Dated Simla, the 22nd September 1919.

From

The Hon'ble Mr. A. H. LEY, C. I. E. I. C. S., Secretary to the Government of India, Department of Commerce and Industry.

To

The Chief Secretary to the Government of Bombay, Revenue Department.

I am directed to advert to the correspondence ending with your letter No. 3726, dated the 10th April 1919, and to address you further on the subject of the Indian Industrial Commission's recommendations relative to the collection of commercial intelligence. These recommendations may be briefly summarised as follows:—

(*a*) That the Department of Commercial Intelligence be reconstituted as a Department of Commercial and Industrial Intelligence, subordinate to the proposed Imperial Department of Industries.

(*b*) That statistics and intelligence relating to industries and commerce be collected and analysed by Directors of Industries and other expert agents under the general control of the proposed Imperial Department of Industries.

(*c*) That the Department of Statistics should remain a distinct Department as at present, subordinate to the Imperial Department of Commerce.

(*d*) That two special Commercial Intelligence officers be appointed at Calcutta and Bombay, working under the provincial Directors of Industries.

but communicating when necessary with the Director of Commercial and Industrial Intelligence.

(*e*) That provision should be made in budget of the Department of Commercial and Industrial Intelligence for increased establishment and for allowances to trade correspondents.

(*f*) That the Director of Commercial and Industrial Intelligence should be a member of the proposed industrial service.

2. The Government of India concur in the suggestion that the Department of Statistics should remain a separate entity, as at present, subordinate to the Commerce Department. Brief reference was made to the subject in paragraph 8 of my letter No. 589-D., dated the 7th December 1918 and it is understood from your letter in reply No. 3726, dated the 10th April 1919, that the Government of Bombay generally accept the principles of the Industrial Commission's recommendations.

3. The proposal to maintain the union of commerce and industry in matters of intelligence appears to the Government of India *prima facie* inconsistent with the Commission's main proposal to divorce industry from commerce in the departments of the Central Government. In the opinion of the Government of India there is a well defined line of demarcation between questions relating to commercial intelligence and questions relating to industrial intelligence, and if there is any value in the separation of the department which deals with industrial questions, from the department which deals with commerce, the distinction should, with due regard to economy, be carried down through the Departments subordinate to both. Industrial question, on the one hand, raise abruptly problems of technology,

differing generally in different industries, and the industrial intelligence officer must understand the essential conditions of manufacture, including the nature of raw materials technical processes and labour requirements. Commercial, questions on the other hand form a special and well-defined group. Whatever the commodity concerned the fundamental point at issue is invariably centred on commercial system and practice, and involves a knowledge of exchange, of commercial law, freights, tariffs and markets.

4. It would be well at this stage to recall in outline what the actual work of the Commercial intelligence Department is. There is, in the first place, the direct work for Government of advising in commercial matters. The Director General is frequently consulted on questions connected with commercial administration, shipping, tariffs, trade expansion. With all the complex trade problems that are certain to arise in the near future this work will be increasingly important and arduous. The advice which Government will require from him will be almost entirely commercial ; for industrial intelligence there will be agencies of a different kind. In the second place the main function of a commercial intelligence officer *vis a vis* the public is, and will continue to be, to bring together buyers and sellers of Indian goods, whether in India or overseas markets, but chiefly with a view to overseas trade expansion. He must be in direct touch with Trade Commissioners in the United Kingdom and the Dominions, and with British consular officer in foreign countries, and one of his principal functions is to push Indian trade overseas, partly by means of trade introductions and partly by the circulation of detailed information regarding Indian produce and manufactures. In the third place the Commercial Intelligence Department must be an information bureau. Here no doubt, it may not be always easy

to keep commercial distinct from industrial information. As far as the latter is concerned, however, the Commercial Intelligence officer will, as he already does, pass on enquiries to the appropriate quarters, generally the provincial departments of industries. In the interests of Indian trade he is required to perform a certain amount of collection of information provided by different technical departments including the provincial departments of industries, but the main functions of his Department will be the supply of intelligence on trade conditions in India and abroad, tariff questions, customs regulations, sources of supply and other kindred matters.

5. This analysis of the functions of a Commercial Intelligence officer leads the Government of India to decide that the Commercial Intelligence Department should remain as it is, subordinate to the Commerce Department of the Government of India, and not to the proposed Department of Industries. It follows as a corollary that the Commission's proposal that the Director, as well as Trade Commissioners, existing or prospective, should belong to the proposed industrial service should also be rejected.

6. That the staff of the Commercial Intelligence Department must be considerably expanded admits in the opinion of the Government of India, of no doubt, and requires no argument. In particular the want of a Commercial Intelligence staff in Bombay has been acutely felt during the war, and with the appointment of an Indian Trade Commissioner in London and British Trade Commissioners in the Dominions and Colonies, enquiries from overseas have developed rapidly. Moreover several markets within easy reach of India (*e.g.*, South and East Africa, and the Middle East) have acquired considerable

importance and will demand increasing attention. The Government of India fully accept the view that there must be special commercial intelligence officers, in addition to the Director General, in Calcutta and Bombay. It is only with reference to the proposal that these officers should be provincial officers, subordinate to the Local Departments of Industries, that I am to address you. The Government of India hold the view that they must have their own expanded organisation. Apart from the necessity, which has arisen from the location of the Government of India in Delhi and Simla, for strengthening the links between themselves and the principal commercial centres, the analysis of the functions of a Commercial Intelligence Department which has been attempted in paragraph 4 above shows that the nature of the work is essentially national, often indeed international, rather than local. The commerce of big cities like Calcutta and Bombay is of too far-reaching a character to take cognizance of provincial boundaries, and a local Government administering a particular port is, generally speaking, by no means the only Government whose interests are involved in the trade of that port. (It is recognised that this argument applies with less force to Rangoon than to commercial centres in India proper, but the fact remains that the work of a Commercial Intelligence officer cannot be of a purely local character.) Commercial Intelligence officials will of course be in close and constant touch with provincial Directors of Industries, as well as with other provincial Departments ; but it does not seem proper to the Government of India that they should be subordinate to the Directors of Industries, and if they were, there would be some reason to fear that as a result their services might be utilised purely on industrial development to the detriment of their proper activities in the sphere of commerce.

7. It is to be remembered, further, that a Commercial Intelligence officer is not in charge of local executive activities, such as would affect a local Government. He is an intelligence officer, pure and simple, and as such can be freely consulted by a Local Government or by a local Department whenever necessary. I am to draw particular attention to this aspect of the matter, and to say that in the scheme I am now to put forward it is fully intended that while the officers of the Commercial Intelligence Department should be under the orders of the Government of India they should be freely available for any consultation which the Local Government may, at any time, desire. There seems to the Governmentof India to be no reason why this stipulation should not meet all the requirements of Local Governments.

8. The organisation which the Government of India accordingly propose is broadly as follows :—

A Director General of Commercial Intelligence with headquarters at Calcutta, assisted by a Deputy Director General and an Assistant Director General at that port, assistance which should enable the directors general to tour more extensively over India than has hitherto been possible.

A Deputy Director General at Bombay, assisted by an Assistant Director General, who however might preferably be stationed at Karachi.

An Assistant Director General at Rangoon.

Certain officials in other Indian trade centres, who would act as Trade Correspondents of the Director-General.

It is unnecessary for present purposes to give details in this letter as to pay and emoluments but it is intended that Assistant Director-General should be paid at the same rates as Assistant Collectors of Customs, with whom they should be interchangeable. Deputy Directors-General would draw pay at rates intermediate between that of Assistant Collectors and Collectors of Customs.

9. A possible development in the future may be some form of amalgamation between the Commercial Intelligence Department including Trade Commissioners and the Imperial Customs Service, and one advantage of the extended organisation proposed is that it will provide a more adequate reserve than exists at present of officers with specialised training in commercial matters, from which the Government of India may be able to fill higher vacancies in the Department of Commerce.

10. I am now to request that the Government of India may be furnished with the views of His Excellency the Governor-in-Council on the points dealt with in paragraph 6 and the succeeding paragraphs of this letter. They are anxious that the reorganisation which they contemplate should be brought into being with as little delay as possible, and I am to ask that they may be favoured with an early reply.

16th January 1920.

From

J. K. MEHTA Esquire, M. A.,

Secretary,

The Indian Merchants, Chamber and Bureau,

BOMBAY.

To

The Hon'ble Mr. P. J. MEAD, C. I. E., I. C. S.,

Chief Secretary to the Government of Bombay;

Revenue Department,

BOMBAY.

Sir,

With reference to your letter of the 12th December 1919, No. 14609 of 1919, I am directed by my Committee to inform you that they generally approve of the proposals made by the Government of India on the subject of commercial intelligence arising out of the Report of the Indian Industrial Commission. Their only fear is that the organisation as proposed will devote itself more to the external than the internal trade of the country, as would appear from the suggestion that the customs service may at some future date be amalgamated with the Commercial Intelligence Department. This department should however in the opinion of my Committee be required to devote its attention more to the internal trade than what it has hitherto done. My Committee feel that it will not be out of place here to repeat the suggestion made by them on several previous occasions that there should be Indian commercial attaches connected with all the principal British Consulates,

They would also like to urge that Indian Trade Commissioners should be appointed in Mesopotamia and East Africa.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 39.

Bill to amend the law relating to Government Securities.

No. 2907

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Simla, the 30th October, 1919.

From

The Hon'ble Mr. H. MONCRIEFF SMITH, I. C. S.

Offg. Secretary to the Government of India.

Legislative Department.

To

The Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

Sir,

I am directed to forward herewith a copy of a letter No. 2880, dated the 28th October 1919 and the enclosures thereto which has been

20 copies each of Bill and letter under separate cover.

addressed to Local Governments and Administrations, regarding the amendments which the Government of India are proposing to make in the law relating to Government securities. The amendments and the reasons therefor are detailed in that letter, and I am now to request that the Government of India may be favoured with the views of your Chamber on the proposed changes. I am to express the hope that these may be communicated at as early a date as the importance of the subject will allow, in order that they may be given due consideration before the Bill is taken into consideration in the Imperial Legislative Council.

I have the honour to be,
Sir,
Your obedient servant,
H. M. SMITH.
Offg. Secretary to the Government of India.

No. 2880.

GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

From

The Hon'ble Mr. H. M. SMITH, I. C. S.,
Officiating Secretary to the Government of India,

To

All Local Governments and Administrations.

Simla, the 28th October 1919.

Sir,

I am directed to forward herewith copies of the papers noted on the margin* and to request that you will favour the Government of India in this Department with an expression of your opinion on the provisions of the Bill, and with the opinions of [the (Hon'ble

* A Bill to consolidate and amend the law relating to Government Securities, with Statement of Objects and Reasons.

the Judges of the High) Court and of] such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

2. The Statement of Objects and Reasons attached to the Bill deals with the latter clause by clause, and explains the precise changes which it is proposed to make in the present law (the Indian Securities Act, 1886). In this letter a more general explanation is given of the causes which have led to the preparation of the Bill, and of the proposed legislation.

3. The necessity for overhauling the existing law relating to Government securities and the practice and procedure based thereon, has been felt for some time. A number of points have from time to time arisen regarding which the legal advisers to the Government of India themselves have not been free from doubt, while experience in the administration of the public debt has shown that the existing law in certain matters, for example trusts, guardianship, decease and office-holders, is unduly restrictive. The statutory rules also are not entirely satisfactory, and it is doubtful how far certain of them are really covered by the rule-making powers conferred by the existing Act.

4. That some improvement must be effected has recently been emphasised by the great expansion in the number of the holders of Government securities which has resulted from the loan operations during the war, while the fact that in a very large number of cases their holdings are in the short-term loans and for small amounts—in many cases as low as twenty-five rupees—which will have to be repaid from 1920 onwards, renders it imperative that early steps should be taken to this end. In the 1917 loan alone there were over 155,000

investors, and in 1918 the number swelled to nearly 230,000. Before the issue of the former, subscriptions to the annual loans issued by the Government of India had been for the most part confined to a few banks and financial houses, and it is probable that the majority of the investors in war loans had never previously held Government securities. Rules and restrictions, which do not fall with very great hardship upon an investor who lives in one of the large cities or within easy reach of the Public Debt Office, or who from his own business experience is accustomed to various precautions in the matter of valuable documents, are much less intelligible, and much more likely to cause resentment and to discourage investment in Government securities, when, as is now the case, they are held by a very large number of small investors, scattered all over India, many of whom perhaps have hitherto had no experience whatever of securities, and may never have had occasion to go to a treasury or even to a subtreasury. To apply the present law and procedure to the repayments which will have to be made from 1920 onwards, involving as it would very tedious and somtimes expensive formalities including in many cases the production of documents, would be likely to lead to something little short of chaos : there would almost certainly be in a large number of cases very great difficulty and delay in effecting payment of the bonds, and apart from the irritation produced in the minds of the payees, some probability of Government being involved in a number of law suits.

5. The Government of India accordingly propose to introduce certain changes in the law and procedure which may be classified as follows :—

(*a*) Those designed to legalise certain matters in the existing practice and procedure which do not

appear to rest on any legal basis but which it is desirable to maintain.

(*b*) Those designed to obviate difficulties and delays which are at present liable to occur in cases of disputed claims on promissory notes, in discovering who is Government's legal creditor in respect of such notes.

(*c*) Those designed to introduce some relaxation of the present procedure in respect of such matters as receiving notice of a trust, securities held by office-holders and by certain corporations, etc.

(*d*) Those designed to provide special facilities in cases of small holdings where the holder dies or is a minor.

6. Among the matters in respect of which it is desirable to place the present practice on a more regular footing is the case of the special notes issued to Indian Chiefs, which and the conditions under which they are issued are described in the second portion of paragraph 52 of the Government Securities Manual. There is considerable doubt as to the legality of the existing practice and it is desirable, in view of the large amount of such securities held by Indian Chiefs, to place these notes on a recognised legal footing, without however making any change in actual practice, which would probably be unpopular with the Chiefs. It is therefore proposed to insert in the Act a definite provision governing the case of special securities having the particular characteristics which should attach to those issued to Ruling Chiefs.

7. Another of the present practices which it is proposed to legalise relates to the acceptance of the certificates of certain executive officers when promissory notes stand in the name of deceased members of undivided Hindu families governed by the Mitakshara law. At present a certificate is accepted from the Collector of the district concerned that the deceased belonged to an undivided Hindu family governed by the Mitakshara law, that the securities were not self-acquired but were purchased from the ancestral funds of the joint-family, and that the applicant for renewal or for admission of title is the senior, or managing, or sole surviving member of the family. This practice is convenient to all concerned and its abandonment would probably impair the popularity of Government paper for the investment of joint-family funds; but as such certificates possess no legal authority it is proposed to take advantage of the present opportunity to regularise the position.

8. Another respect in which the existing law requires improvement relates to section 4 of the Act which lays down that no notice of any trust in respect of any Government security is receivable by Government. The rigidity of this provision has been a source of considerable trouble and while, as will be seen from paragraph 46 of the Securities Manual, the present practice does in the majority of cases conform to it, as a matter of convenience it has been held that executorship and administration do not fall within its scope. Whether this attitude is legal or not is open to doubt and the Government of India desire to make it clear in the law that the representative character of persons appointed as executors or holding letters of administration may be recognised. At the same time it will be convenient to relax the restriction

imposed by section 4 to enable stock-holders to be described as trustees, and also to amend the practice (described in paragraph 43 of the Manual) in respect of guardians and holders of offices, the refusal to recognise whom is a source of much inconvenience. To meet all these cases they propose to adopt with certain modifications, paragraphs (*b*), (*c*) and (*e*) of clause 1 of section 37 of the United Kingdom Finance Act, 1917, so far as holders of stock are concerned. They also propose to incorporate a provision similar to clause (*a*) of that section which is likely to be of considerable utility in India. These provisions appear as sub-clauses (*k*), (*l*), (*m*) and (*n*) of clause 20 (2) of the Bill.

9. The Government of India further consider that the existing law should be amended so as to show definitely that the provisions regarding the renewal of securities apply also to their consolidation, sub-division or conversion. These operations involve a readmission of Government's liability and although they would very probably be regarded as being covered by the term 'renewal,' it is desirable that the phraseology of the law itself should leave no room for doubt.

10. Next it is proposed to provide against the difficulties and delays which are at present liable to occur in discovering who is Government's legal creditor in respect of promissory notes on which, owing to some alleged invalid or disputed endorsement, adverse claims arise. Such cases not infrequently occur, as for example, when a note may have come into one person's possession in a perfectly *bonafide* manner and yet another person may claim that one of the endorsements on it is illegal, and that he is the successor in interest of a previous holder; or again when a person applies for renewal of a note but the Public Debt Office finds that one of the endorsements is

irregular. In the former case Government have no legal protection and are liable, if they admit one party's claim, to be sued by the other. In the latter there are no practical means for curing the defect, and if the note is renewed in the applicant's favour it can never be certain that the liability of Government in respect of the old note has been properly discharged. In either case, much inconvenience and delay is at present caused to *bona fide* applicants owing to the necessity for Government to take sundry precautions to protect themselves from such liability. It is accordingly proposed to legislate in order to free Government from the onus of discovering who is legally entitled to be admitted as their creditor in respect of any particular note, and to lay down that when there are adverse claims to Government notes, the Controller of Currency shall be empowered after preliminary enquiry and after deciding the person who, in his opinion, is best entitled to ownership, to require any adverse claimant to file a suit establishing his claim within a specified period. At the expiry of this period, if the Controller of Currency has not been notified of the institution of such a suit, he will instruct the Public Debt Office to renew the note in favour of the *prima facie* owner and Government will thereupon be discharged from all liability under the original note. Where the Controller of Currency has reason to doubt the validity of the claimant's title, though no adverse claimant has actually appeared, the case will be covered by the general power which it is proposed to provide for insistance upon an indemnity.

11. Attention has already been drawn to the difficulties which are likely to arise in the near future in connection with the repayment of small holdings in the Indian War Loans. To meet these in respect of holdings standing in the names of deceased persons, minors and others, the Government of India

propose to incorporate in the Act provisions on the lines of those contained in sections 4 to 7 of the Government Savings Banks Act of 1873, and to take power to make rules on the lines of sections 10 to 13 of the same Act.

12. In a further minor respect a change in the existing law is proposed so as to define the legal position on the matter of renewals of bearer bonds. It appears desirable to determine the extent to which Government is protected when renewing a bearer bond or converting it into another form of security. The Government of India have been advised that Government are protected, provided that the renewal or conversion is made in the ordinary course of business, in good faith, and in the absence of reasonable grounds for believing that the applicants were not entitled to have their bonds renewed or converted. They consider however that the question of Government's liability should be placed beyond doubt and therefore propose to amend section 8 of the Act to make it clear that a bearer bond is discharged by renewal or conversion as well as by payment of the amount due.

13. Finally it is desirable to include a specific provision to penalise false statements made in proceedings in respect of Government securities, where such statements are made for the purpose of obtaining payment or renewal. Such proceedings will occur in connection with the enquiry by the Controller of Currency mentioned in paragraph nine of this letter and also with the procedure to be adapted from the Government Savings Banks Act. In most cases probably the making of a false statement would constitute either the abetment of or an attempt to commit cheating, and the provisions of the Indian Penal Code would apply. Other cases however may possibly arise, and to provide for these as well as to make the new Act self-contained it is proposed to include in it a definite penal provision.

14. It will be seen from the Statement of Objects and Reasons attached to the Bill that the latter embodies legislation on the lines indicated in this letter. In view of the difficulties which are likely to arise in connection with the impending repayment of the Government's short-term loans, to which allusion has been made in paragraph four it is essential for the required legislation to be undertaken in the Delhi session of the Imperial Legislative Council. It is accordingly desirable that any suggested alterations to the Bill, should be placed before the Government of India as early as possible. The Government of India regret that it has not been possible to allow a longer period for the consideration of these proposals, but they trust that in the circumstances explained you will favour them with your views not later than the 1st January next, on which date the suggestions then received will be taken into consideration. A copy of this letter and of its enclosures is being sent to all Chambers of Commerce and commercial associations, with the request that any suggestions or criticisms which they may desire to offer may be sent to the Local Government at as early a date as possible, a copy being sent at the same time to the Government of India.

15. I am also to request that the Bill and Statement may be published in the Assam *Gazette* in English and that the date of such publication may be communicated in your reply.

The Publisher of the *Gazette of India* at Simla has been instructed to furnish the Publisher of the Assam *Gazette* with English copies of the Bill and Statement (in Gazette form) for publication in the latter Gazette.

I have the honour to be,
Sir,
Your most obedient servant,
H. M. SMITH.
Offg. Secretary to the Government of India.

A

BILL

TO

Consolidate and amend the law relating to Government Securities

WHEREAS it is expedient to consolidate and amend the law relating to Government securities; It is hereby enacted as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Indian Securities Act, 19 ; and

(*2*) It shall come into force on the first day of April, 19 .

Definitions.

2. In this Act—

(*a*) "Government security" includes promissory notes, stock-certificates, bearer bonds and all other securities issued by the Governor-General in Council or by any Local Government in respect of any loan contracted either before or after the passing of this Act, but does not include a currency-note; and

(*b*) "prescribed" means prescribed by rules made under this Act.

Notice of trust not receivable save as provided.

3. Save as otherwise provided in or under this Act, no notice of any trust in respect of any Government security shall be receivable by the Government:

Provided that an indorsement by an executor or administrator as such shall not be deemed to convey notice of any trust

under a will, nor shall the Government be bound to inquire into the terms of any will, but it shall be entitled to treat such executor or administrator as full owner of the security.

Right of survivors of joint payees of Government securities.

4. (*1*) Notwithstanding anything in section 45 of the Indian Contract Act, 1872, when a Government security is payable to two or more persons jointly and either or any of them dies, the security shall be payable to the survivor or survivors of those persons.

(2) Nothing herein contained shall affect any claim which the representative of the deceased person may have against the survivor or survivors under or in respect of the security jointly payable to him or them and the deceased.

(*3*) This section shall apply whether the death of the person to whom the security was jointly payable occured or occurs before or after this Act comes into force.

Indorsements to be made on security itself.

5. Notwithstanding anything in section 15 of the Negotiable Instruments Act, 1881, no indorsement of a Government security shall be valid unless made by the signature of the holder inscribed on the back of the security itself.

Holding of Government securities by holders for the time being of public offices.

6. (*1*) In the case of any public office to which the Governor General in Council may, from time to time, by notification in the Gazette of India, declare this sub-section to apply, a Government security may be made or indorsed payable to or to the order of the holder for the time being of the office by the name of the office.

(2) When a Government security is made or indorsed as aforesaid, it shall be deemed to be transferred

without any or further indorsement from each holder for the time being of the office to the succeeding holder for the time being of the office on and from the date on which the latter takes charge of the office.

(*3*) When the holder for the time being of the office indorses to a third party a Government security made or indorsed a aforesaid, he shall subscribe the indorsement with his name and the name of the office.

(*4*) A writing on a Government security now or heretofore standing in the name of the holder of a public office, whereby the security has been or was made or indorsed payable to or to the order of the holder of the office, for the time being by the name of the office, shall not be deemed to be or to have been invalid by reason only of the security having been so made or indorsed.

(*5*) This section applies as well to an office of which there are two or more joint holders as to an office of which there is a single holder.

Issue of securities to rulers of States in India

7. Notwithstanding anything in the Nigotiable Instruments Act, 1881, the Governor General in Council may, in respect of any loan, issue to the ruler of any State in India Government securities in such form and subject to such conditions as to negotiability, succession and other matter as may be prescribed.

Indorser of Government security not liable for amount thereof

8. Notwithstanding anything in the Negotiable Instruments Act, 1881, a person shall not, by reason only of his having indorsed Government security, be liable to pay any money due, either as principal or as interest, thereunder.

Impression of signature on Government securities.

9. (*1*) The signature of the person authorized to sign Government securities on behalf of the Government may be printed, engraved or lithographed, or impressed by such other mechanical process as the Governor General in Council may direct, on the securities.

(2) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as if it had been inscribed in the proper handwriting of the person so authorized.

Issue of duplicate, renewed, converted, consolidated or sub-divided securities.

Issue of duplicate securities.

10. (1) When a Government security is alleged to have been lost or destroyed either wholly or in part, and a person claims to be the person to whom but for the loss or destruction it would be payable, he may, on application to the prescribed officer, and on producing proof to his satisfaction of the loss or destruction and of the justice of claim and on payment of the prescribed fee, if any, obtain from him an order for—

(*a*) the payment of interest in respect of the security said to be lost or destroyed pending the issue of a duplicate security ; and

(*b*) the issue of a duplicate security payablo to the applicant.

(*2*) An order shall not be passed under sub-section (*1*) until after the issue of the prescribed notification of the loss or destruction and after the expiration of the prescribed period.

(*3*) A list of the securities in respect of which an order is passed under sub-section (*1*) shall be published in the prescribed period.

Issue of renewed securities.

11. (*1*) Subject to the provisions of section 12, a person claiming to be entitled to a Government promissory note may, on applying to the prescribed officer, and on satisfying him of the justice of his claim and delivering the promissory note receipted in the prescribed manner, and paying the prescribed fee, if any, obtain from such officer a renewed promissory note payable to him :

Provided that, when application is made for the renewal of a Government promissory note which appears to the prescribed officer to stand in the name of a deceased member of a joint Hindu family governed by the *Mitakshara* law, a renewed promissory note shall not be issued to the applicant unless he furnishes a certificate signed by such authority as may be prescribed after inquiry in the prescribed manner to the effect that the deceased belonged to an undivided Hindu family governed by the *Mitakshara* law, that the promissory note formed part of the joint property of the family, and that the applicant is the managing or sole surviving male member of the family:

Provided further that the issue of a renewed Government promissory note in such a case shall not affect any claim which any person claiming through the deceased person may have in respect of such promissory note against the applicant.

(2) The prescribed officer may, on the application of the holder of a bearer bond, and delivery of the bearer bond and on payment of the prescribed fee, if, any, issue to the applicant a renewed bearer bond.

Renewal in case of dispute as to title.

12. (1) Where there is a dispute as to the title to a Government promissory note in respect of which an application for renewal has been made, the prescribed officer may—

(*a*) refuse to renew such note until the parties have obtained a decision as to title from a Court of competent jurisdiction, or.

(*b*) after such inquiry as is hereinafter provided and consideration of the result thereof, declare by order in writing which of the parties is in his opinion entitled to such note and may after the expiration of three months from the date of such declaration, renew the note in favour of such party in accordance with the provisions of section 11 unless within that period he has received notice that proceedings have been instituted by any person in a Court of competent jurisdiction for the purpose of establishing a title to such note.

(2) For the purpose of the inquiry referred to in sub-section (1), the prescribed officer may himself record, or may request the District Magistrate to record or to have recorded, the whole or any part of such evidence as the parties may produce. When such request has been made to the District Magistrate, such Magistrate may himself record or may direct any Magistrate of the first class subordinate to him to record the evidence, and shall forward a copy thereof to the prescribed officer.

Explanation.—For the purposes of this sub-section, the District Magistrate means the District having jurisdiction in the place where interest on the security is payable and, where interest is payable at a presidency-town or Rangoon, the Chief Presidency Magistrate, or at a place in a State in India, the Political Agent.

(3) The prescribed officer or any Magistrate acting under this section may, if he thinks fit, record evidence on oath.

Issue of converted, etc., securities.

13. (1) The prescribed officer may, on the application of a person claiming to be entitled to a Government security or securities, on being satisfied of the justice of the claim and on delivery of the security or securities receipt in the prescribed manner and on payment of the prescribed fee, if any, convert, consolidate or sub-divide the security or securities.

(2) The conversion, consolidation or sub-division referred to in sub-section (1) may be into a security or securities of the same or different classes or of the same or different loans.

(3) No such conversion, consolidation or sub-division shall affect the rights of any other person to the securities so converted, consolidated or sub-divided, as against the person upon whose application such conversion, consolidation or sub-division was made.

Discharge.

Discharge of bearer bond, etc.

14. On payment by or on behalf of the Government to the holder of a bearer bond or other Government security payable to bearer of the amount expressed therein on or after the date when it becomes due, on renewal of a bearer bond under sub-section (2) of section 11, on renewal of a Government promissory note under section 12, or on conversion, consolidation or sub-division of a bearer bond under section 13, the Government shall be discharged in the same way and to the same extent as if such bearer bond, promissory note or other security were a promissory note payable to bearer:

Provided that, in the case of a Government promissory note renewed under section 12, nothing in this section shall be deemed to bar a claim against the Government in respect of a security so renewed by any person who either had no notice of the proceedings under that section, or who claims through a person who had no such notice.

Discharge in case of duplicate and renewed securities.

15. Save as provided in section 14, when a duplicate security has been issued under section 10 or renewed security has been issued under section 11 or section 12 or a converted, consolidated or sub-divided security or securities has or have been issued under section 13, the Government shall be discharged from all liability in respect of the security or securities in place of which a duplicate, renewed, converted, consolidated or sub-divided security or securities has or have been issued—

(*a*) in the case of a duplicate security after the lapse of six years from the date of the publication under sub-section (3) of section 10 of the list in which the security is first mentioned, or from the date of the last payment of interest on the original security, whichever date is later;

(*b*) in the of a renewed, converted, consolidated or sub-divided security after the lapse of six years, from the date of the issue thereof.

Summary procedure in certain cases.

Procedure on death of holder of securities not exceeding an aggregate value of five thousand rupees.

16. (*1*) If within three months of the death of a person who was entitled to a Government security or securities (other than a security payable to bearer) the nominal or face value of which does not in the aggregate exceed five thousand rupees, probate of the will or letters of

administration of the estate of such person or a certificate granted under the Succession Certificate Act, 1889, is not produced to the prescribed officer, such officer may, after inquiry in the manner provided in sub-sections (2) and (3) of section 12, determine who is the person entitled to the security or securities or to administer the estate of the deceased, and may,

(*a*) in the case of any such security relating to a loan due for repayment, authorise payment of the amount due thereon to such person ; and,

(*b*) in the case of any such security relating to a loan not due for repayment, authorise, in the case of a promissory note, the renewal of such promissory note in favour of such person, or, in the case of stock, the registration of the name of such person in substitution for the name of the deceased.

Explanation.—Where a certificate has been granted under the Succession Certificate Act, 1889, in respect of some only of the securities to which the deceased person was entitled, the provisions of this sub-section shall apply when the value of the remaining securities does not exceed five thousand rupees.

(*2*) Upon the payment or renewal of any promissory note in accordance with sub-section (*1*) the Government shall be discharged from all liability in respect of the note so paid or renewed ; and any substitution of names made in accordance with clause (*b*) of sub-section (*1*) shall, for the

purposes of any claim against the Government, be deemed to have effected a valid transfer of the stock in respect of which it was made.

(3) Any creditor or claimant against the estate of the deceased may recover his debt or claim out of money paid to any person under sub-section (1) and remaining in his hands unadministered in the same manner and to the same extent as if the said person had obtained letters of administration of the estate of the deceased, and nothing in this section shall affect any claim of an executor or administrator or other representative of the deceased against such person other than a claim to recover amounts lawfully paid by him in due course of administration of the estate of the deceased.

Payment in case of securities held by minors and lunatics.

17. Where a Government security stands in the name of or is held by a minor or a person who is insane and incapable of managing his affairs, the interest accruing thereon, or the capital sum payable in respect thereof on the maturity or discharge of the loan, shall be paid in such manner as may be prescribed, and on any payment being so made, the Government shall, notwithstanding any provision of any enactment to the contrary, be discharged from all liability in respect thereof.

Indemnity.

Indemnity.

18. Notwithstanding anything in sections 10, 11, 12, or 13, the prescibed officer may in any case arising under any of these sections—

(i) issue a duplicate or renewed security or convert, consolidate or sub-divide a security or

securities upon the applicant giving the prescribed indemnity against the claims of all persons claiming under the original security or under the security or securities so renewed converted, consolidated or sub-divided, as the case may be, or

(*ii*) refuse to issue a duplicate or renewed security or to convert, consolidate or sub-divide a security or securities unless such indemnity is given.

Inspection of registers, books and documents.

19. No person shall be entitled to inspect, or to receive information derived from, any book, register or other document kept or maintained by or on behalf of Government in relation to Government securities or any Government security, save in such circumstances and manner and subject to such conditions as may be prescribed.

Inspection of documents.

Penalty.

20. If any person, for the purpose of obtaining for himself or for any other person payment of interest or of the capital sum due in respect of any Government security, or the issue of a duplicate security, or the renewal, conversion, consolidation or sub-division of a Government security or securities, makes to any authority under this Act a statement which is false and which he either knows to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months or with fine, or with both.

Penalty.

Rules.

Power to make rules.

21. (1) The Governor General in Council may, after previous publication, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :

(*a*) the manner in which payment of interest in respect of Government securities is to be recorded and acknowledged;

(*b*) the circumstance in which Government securities must be renewed before further payment of interest thereon can be claimed;

(*c*) the form in which and the conditions subject to which Government securities may be issued to the rulers of States in India;

(*d*) the fees to be paid in respect of the issue of duplicate securities and of the renewal, conversion, consolidation and sub-division of Government securities;

(*e*) the proof which is to be produced by persons applying for duplicate securities;

(*f*) the form and manner of publication of the notification mentioned in section 10 and the period after which interest may be paid or a duplicate security may be issued under that section, and the manner of publication of the list mentioned in sub-section (3) of that section;

(*g*) the officer who is to exercise all or any of the powers and to perform all or any of the duties

referred to in sections 10, 11, 12, 13, 16, and 18;

(*h*) the form in which securities delivered for discharge, renewal, conversion, consolidation or sub-division are to be raceipted;

(*i*) the person to whom and the manner in which payment are to be made in respect of Government securities standing in the name of or held by, minors or persons who are insane and incapable of managing their affairs;

(*j*) the taking of indemnities against adverse claims of third parties from persons who receive payment of interest or of the capital sum due in respect of Government securities, or who obtain duplicate, renewed, converted, consolidated or sub-divided securities;

(*k*) the manner in which any document relating to Government securities or any indorsement on a Government promissory note may, on the demand of any persons who from any cause is unable to write, be executed on his behalf;

(*l*) the recognition of trusts in the case of Government stock and of powers of attorney granted to persons holding stock as trustees whether of any particular trusts or without qualification;

(*m*) the holding of Government stock by the holders of offices other than public offices, and the manner in which and the conditions subject to which stock so held may be transferred;

(*n*) the mode of attestation of documents relating to Government stock;

(*o*) generally, all matters connected with the grant of duplicate, renewed, converted, consolidated and sub-divided securities; and

(*p*) the circumstance and the manner in which, and the conditions subject to which, inspection of books, registers and other documents may be allowed or information therefrom may be given under section 19. ..

(3) Nothing in any rules made under clauses (*l*) and (*m*) shall, as between any trustees or as between any trustees and the beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of applying to the trust and the terms of the instrument constituting the trust; and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stockholder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stockholder or of any fiduciary obligation attaching to the holding of any Government stock.

(4) Rules made under this section shall be published in the Gazette of India, and shall thereupon have effect as if enacted in this Act.

Repeals

Repeals.

22. On and from the date on which this Act comes into force, the Indian Securities Act, 1886, and so much of the First and Second Schedules of the Repealing and Amending Act, 1914, as relates to the Indian Securities Act, 1886, shall be repealed.

STATEMENT OF OBJECTS AND REASONS.

The existence of various defects and doubtful points in the present law regarding Government securities (Act XIII of 1886) has for some time pointed to the necessity of overhauling and re-casting that Act, in order that the law governing such securities, and the procedure and regulations based thereon, may be better adapted to the requirements of modern conditions. The principal changes introduced by this Bill are summarised below :—

(*a*) To legalise certain matters in the existing practice and procedure which it is desirable to maintain, but of which the legal basis is at present doubtful ;

(*b*) To obviate difficulties and delays which are at present liable to occur, in cases of disputed or doubtful claims on promissory notes, in discovering who is the Government's legal creditor in respect of such notes ;

(*c*) To relax the present procedure in certain matters, such as receiving notice of a trust and securities held by office holders ; and,

(*d*) To provide special facilities in cases of small holdings of which the holder has died or is a minor.

2. The clauses of the Bill which introduce these changes are as followws :

Clauses 3. This corresponds to section 4 of the existing Act, the rigidity of which has caused much trouble in practice. The proviso to this clause legalises the existing practice regarding executors and administrators, while sub-clauses (*l*) and (*m*) of clause 21 (*2*) of the Bill will, in the case of

Government debt held in the form of stock, enable various facilities to be given to the public, in the matter of securities held in trust or in the name of office holders (other than the holders of a public office), which are not possible under the existing law.

Clauses 4, 5 and 6 reproduce sections 5, 6 and 7 the of present Act.

Clause 7 is new and designed to legalise the present practice of issuing special notes to the Rulers of Indian States.

Clauses 8, 9 and 10 reproduce sections 9, 10 and 12 of the existing Act.

Clause 11 corresponds to section 11 of the present Act but contains a proviso legalising the practice which is at present followed regarding securities belonging to a joint Hindu family, while sub-clause (2) provides for the renewal of bearer bonds.

Clause 12 introduces a definite procedure in cases in which adverse claims arise, and provides a means for their more expeditious disposal than is possible under the existing law.

Clause 13 provides for the consolidation or sub-division of Government securities, for which at present no specific provision exists.

Clause 14 provides for Government's liability being discharged in the case of bearer bonds and, in certain cases, of other securities, on payment,

renewal, conversion, consolidation or sub-division, while the proviso safeguards the interests of third parties who may in certain cases be adversely affected as the result of proceedings under clause 12.

Clause 15 corresponds to section 13 of the existing Act, but includes provision for converted, consolidated or sub-divided securities.

Clause 16 introduces a procedure on the lines of sections 4 to 7 of the Government Savings Banks Act, 1873 (V of 1873), which will enable claims in respect of small holdings standing in names of deceased persons to be expeditiously met.

Under clause 17 Government takes power to prescribe the procedure to be followed in the case of securities held by minors or lunatics, and thereby to dispense with the formalities which under the existing law must attend transactions connected with securities so held.

Clause 18 provides for the taking of indemnities, and will cover cases in which there is reason to doubt a claimant's title though no adverse claimant has actually appeared.

Clause 19 places on a legal basis the confidential character of the books, registers, etc., maintained in the Public Debt Offices. The practice in England is to allow no inspection by the public, though a search is made at the request of *bona fide* applicants and the results reported to them.

This is generally the practice followed in India, although at present it does not rest on any specific legal provision.

Clause 20 introduces a specific provision to penalise false statements made in proceedings in respect of securities for the purpose of obtaining payment or renewal and the like.

Of the rule-making powers enumerated in *clause* 21 (*2*) (*a*) (*b*), (*d*), (*e*), (*f*), (*g*), the second half of (*i*) and (*o*) correspond to and generally reproduce the rule-making powers conferred by section 14 of the existing Act. Of the remainder (*e*), (*i*) and (*b*) are consequential to clauses 7, 17 and 19, respectively, of the Bill, the first half of (*j*) being consequential to clause 18, (*l*) and (*m*) have been mentioned above under clause 3. (*k*) and (*n*) are new, and are designed to facilitate the procedure regarding the matters mentioned therein.

Sub-clause (3) of clause 21 has been adapted from the English law, and lays down the limits within which the recognition of trusts can operate, at the same time safeguarding the interests of beneficiaries.

SIMLA ;
The 25th October,

H. F. HOWARD.

No. T 449
14th January 1920.

From

J. K. Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Hon'ble Mr. H. Monorieff Smith, I. C. S.,
Offg; Secretary to the Government of India
Legislative Department,
SIMLA.

Sir,

I am directed by my Committee to inform you in reply to your letter of the 30th October 1919 No. 2907 that they have no objection to the amendments which are proposed to be made in the law relating to Government securities.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX 40.

Grant of Monopoly of the Khapoli Tail water to the Khapoli Land Company.

24th January 1920.

From,

J. K. Mehta, Esquire., M. A.
Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

The Chief Secretary to the Government of Bombay;
BOMBAY.

Sir,

My Committee have noticed with regret Press note No. 15298 published in the supplement to the Bombay Government Gazette of the 8th instant. My Committee are not aware if the Government had informed the public of their intention to grant a monopoly for the us of the tait water available from the Tata Hydro Electrical Turbines at Khapoli, before the recent Press Note was issued, and asked for tenders for the same. They will be much obliged if information is supplied to them at an early date giving the history of this concession and mentioning the reasons which were instrumental in the formulation of the proposal to give away the monopoly of what practically amounts to the waters of a river.

In the meanwhile, my Committee beg to protest most strongly and emphatically against the proposal referred to in the above Press Note of the Government. It does not appear that tenders from the public were invited with regard to this project. Even if they were, my Committee are of opinion that it is unjust and unfair to give away the monopoly of a river to any one individual or firm to the exclusion of others. The Khapoli Land Co. Ltd. to which it is proposed to give this monopoly, must have been tempted to apply for it not because of the monopoly of water, but because it will practically give them the monopoly of starting in that locality certain industries which for want of a sufficient quantity of waters, cannot be started by others. The Press Note is, my Committee regret, entirely vague regarding the details of such an important and comprehensive scheme. It is not clear even if the scheme referred to in the press Note which is said to embrace a series of Industrial Factories which has been approved by the Government, includes factories which may be started by Companies other than the Khapoli Land

Co. Ltd. It is to be regretted that the Government should have thought fit to entertain a proposal of this importance and magnitude which would have the effect of eliminating healthy competition and of practically giving a monopoly to one particular concern for starting factories of different kinds in that locality. It is still more regrettable that the Company has also been granted the refusal of the Andra Valley Tail water thus practically giving away to one firm a monopoly of the entire area fed by these waters for development and exploitation.

My Committee therefore beg to request that Government will be pleased not to proceed further with the scheme, at least not before the public is allowed a full opportunity for going into the whole question and discussing it with the members of the Government through a deputation or otherwise. They beg and trust that in view of the enormous industrial possibilities of the area and the water available, the proposal will ultimately be dropped. If however this is not possible, my Committee hope that they will at least be allowed an opportunity of appealing to the Government of India before the matter is finally settled.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. F. 40 of 1920.

Revenue Department.

Bombay Castle, 20th February 1920.

From

H. F. KNIGHT, Esquire, I. C. S.,

Under Secretary to the Government of Bombay.

To

The Secretary,

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

Sir,

Subject.—Grant of a monopoly in favour of the Khapoli Land Company, Limited, for the use of the tail-water from the Tata Hydro-Electric Turbines.

With reference to your letter dated 24th January 1920 on the above subject I am directed to state that Government had already fully considered the effect of a monopoly and had advisedly decided to create a monopoly with a view to the fullest utilisation for industrial purposes of all the water available. It is essential, in the opinion of Government, that one company should control the whole supply and develop the industrial area proposed. If members of your Association have in view any water-needing industry, they have only to apply to the company which has every interest in developing the area and utilising all the water as soon as possible. In this connection it may be pointed out that far larger projects are under consideration, and that the volume of such tail-water still available for such purposes is immense.

I have the honour to be,

Sir,

Your most obedient servant,

For Under Secretary to Government.

No. T. 763.

9th March 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

H. F. KNIGHT, Esquire, I. C. S.,

Under Secretary to the Government of Bombay ;

Revenue Department, Bombay.

Sir,

I am directed to acknowledge receipt of your letter of the 20th instant.

My Committee had specifically asked in their letter of the 24th January 1920 (1) if the Government had informed the public of their intention to grant a monopoly for the use of the tail water available from the Tata Hydro-Electric Turbines at Khapoli before the recent Press Note was issued, and invited tenders for the same and also (2) for reasons which were instrumental in the formulation of the proposal to give away the monopoly of what practically amounts to the waters of a river.

My Committee are sorry that the information asked for by them has not been supplied and that the Government have merely stated that they had considered the effect of a monopoly and had advisedly decided to create a monopoly in order to secure the fullest utilisation for industrial purposes of all the water available. Even if it were considered necessary in the interests of industrial development that " one company should control the whole supply and develop the industrial area

proposed" it was certainly possible to advertise the fact openly to the public before a monopoly was decided to be given to one particular concern. It is mentioned in your reply that if members of the Association have in view any water-needing industry, they have only to apply to the company which has every interest in developing the area and utilising all the water as soon as possible. This is an obvious proposition which did not require any explanatory comment." My Committee are however opposed to the principle underlying this proposition viz the grant of a monopoly to an individual concern which would thus be in a position to dictate its terms to other industrial concerns. As my Committee had pointed out in their previous letter, these tail-waters are in the nature of a river, the monopoly of which should not be given to any one concern to the exclusion of others. The magnitude of these tail-waters may be realised from the fact that the daily quantity of water passing Khapoli and likely to pass at Andhra Valley is as follows :—

Hydro-Electric.—One hundred million gallons a day.

Andhra Valley.—One hundred and twenty million gallons a day.

Total 220 millions gallons a day.

This quantity compared with the total quantity of 40 million gallons per day brought to Bombay means about 5½ times the Bombay supply. Bombay contains a population of about 12 lacs, 85 mills and numerous other factories. The fact therefore of the quantity sought to be disposed of being 5½ times the total daily water supply of Bombay, will give one an idea of the absurdity of giving the monopoly of this entire supply to a single company. Moreover, taking the

royalty at Rs. 5,000 per hundred million gallons of Hydro-Electric-Water, the price of the water that would be supplied works out to about Rs. 1/- for 6 million gallons against annas 8/- for 1,000 gallons in Bombay—nearly three thousand times less than the rate prevalent in Bombay.

My Committee therefore again emphasize their former protest against the proposal; and desire to point out that it would be neither fair nor equitable to the cause of industrial development in the Presidency to give the monopoly of such tail-waters to any particular concern.

My Committee, in conclusion, would beg that Government would be pleased to postpone the final decision of this matter pending an appeal they are making to the Government of India.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

6th April 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY,

To

The Secretary,

Commerce and Industry Department,

Government of India,

SIMLA.

Sir,

I am directed by the Committee of this Chamber to forward herewith copies of the correspondence exchanged between the Government of Bombay and themselves regarding the grant of the monopoly for the use of the tail-water available from the Tata Hydro-Electrical Turbines at Khapoli and to request you to be so good as to request the Government of Bombay not to proceed with the proposal in view of the great and important issues which are at stake.

My Committee in their first letter to the Government of Bombay inquired if the Government had informed the public of their intention to grant a Monopoly before the Press-Note No. 15298 was issued; and if tenders for the same had been invited. In reply to this, there is no further information vouchsafed than the cryptic statement that "Government had already fully considered the effects of a monopoly and had advisedly decided to create a monopoly with a view to the fullest utilisation for industrial purposes of all the water available." A monopoly such as the one proposed to be given is the most objectionable on the following among other grounds:—

(a) It is unjust and unfair to give away the monopoly of what practically amounts to a river to any one individual or firm to the exclusion of others.

(b) The Khapoli Land Company to which it is proposed to give this monopoly, must have been tempted to apply for it, not because of the monopoly of water, but because it will practically give them the monopoly of starting in that locality certain industries which for want

of a sufficient quantity of water, cannot be started, by others.

(c) It was wrong on principle to give a monopoly of such a nature to an individual concern so as to place the latter in a position to dictate terms to other industrial concerns.

(d) The quantity of water sought to be disposed of in this way by the Government of Bombay is 5½ times the daily water supply of Bombay.

(e) Taking the royalty at Rs. 5,000 per hundred million gallons of Hydro-electric water, the price of the water that would be supplied, works out to about Re. 1 for six million gallons against As. 8 for 1000 gallons in Bombay i. e. nearly three thousand times less than the rate prevalent in Bombay.

(f) Such a monopoly effectively eliminates the possibility of other factories establishing themselves on the industrial areas of Kalyan and Neral and in proximity to the power houses of Hydro-electric companies, as the use of the tail waters will be denied to such factories as will not be able to take advantage of the power supply.

(g) My Committee are informed that the waters from the Khapoli power house almost immediately fall into a tributary of the river Patelganga, and that the waters of the Andhra Tail race will fall into a tributary of the Pej river almost at the doors of the Power house, the Pej River being itself a tributary of the river Ulhas which

> flows along the railway line from Neral to Kalyan and empties itself into the Bassein creek. It would be impossible under these circumstances to fix the limit of the tail waters and to say exactly where they end. The natural inference is that the Khopoli Land Company will get the monopoly of the tail waters and also these two rivers, a position which cannot possibly be called just and fair.

My Committee fail to see any justification in fact for the wholly unwarranted and unfair monopoly proposed to be granted to the Khapoli Land Company Limited; which if given, will have the disastrous effect of blocking industrial enterprise in that area and placing its direction in the hands of an all-powerful syndicate which would thus be invested with powers of a nature which it is not (desirable) in the public interest to entrust to any single individual concern.

It is argued in the reply sent by the Government of Bombay to thecommunication of my Committee that "if members of the Association have in view any water-needing industry, they have only to apply to the Company which has every interest in developing the area and utilising all the water as soon as possible." My Committee should have been credited with sufficient intelligence to appreciate this self-evident proposition. What is overlooked by the local Government, is the vital fact that the sole discretion of giving the use of any portion of the waters rests with the Company enjoying the monopoly and that this discretion is not fettered by wholesome restrictions such as, for instance, operate in the case of public utility Companies, such as Gas and Electric Companies e. g. fixed rates per unit of energy consumed; obligation to supply each and every

applicant, provided there is a sufficient power available; and so forth.

My Committee believe that both the Imperial and Provincial Governments are at present animated with a desire to encourage and advance by all legitimate means the industrial development of the country. Such a desire will be frustrated if a policy of giving monopolies in cases like the one under consideration, is adopted. A monopoly may be desirable where a particular industry is intended to be developed; but in the case of the instance in point, the Khapoli Land Company is proposed to be given a *carte blanche* for giving or refusing patronage to industrial concerns and to kill competition if it so desires. It is earnestly hoped therefore by the Committee that the proposed monopoly will be vetoed by the Government of India. Even if this is not done, the proposal should atleast be postponed till the time the new Councils under the Reform scheme come into being. My Committee feel that the new Councils and the Indian Ministers should be given an opportunity of laying down the policy of creating monopolies of this kind.

In conclusion, my Committee beg once more to invite the most careful and earnest consideration of the Hon'ble the Member for Commerce and Industries to the entire correspondence enclosed herein and the various objections urged by them against the proposed monopoly; and to express the sincere hope that nothing will be done to shake the confidence of the public in the determination of the Government to inaugurate a policy of State help and participation in the industrial growth of the country. It is feared that the granting of the proposed monopoly by the Government of Bombay will have the effect of very rudely shaking this confidence; and it is sincerely hoped that

the proposed step will be disallowed by the Government of India.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. F. 40 of 1920.

Revenue Department,

Bombay Castle, 29th April 1920.

From

The Hon'ble Mr. P. J. MEAD, C. I. E., I. C. S.,

Chief Secretary to the Government of Bombay,

To

The Secretary,

The Indian Merchants' Chamber and Bureau.

Subject.—Grant of a monopoly for the use for industrial purposes of the tail-water available from the Tata Hydro-Electric turbines at Khapoli.

Sir,

I am directed to acknowledge the receipt of your representation No. T. 763 dated 9th March 1920 on the above subject and to state that it was never the intention of Government to penalise industries by charging a full price for the water as suggested by the Indian Merchants' Chamber and Bureau and the Millowners' Association and I am to point out that the action suggested has been vigorously criticised in other

quarters under a misapprehension that Government shared the views of these associations. Further I am to say that Government are constrained to reject as ill-considered the view that any comparison can exist between the price of piped water in Bombay city and that of water from an artificially fed stream running between natural banks in an undeveloped area. Your Chamber have also lost sight of the fact that no such river existed during the dry season till the hydro-electric scheme was carried through under an agreement with Government and water was made available for industrial purposes. Finally I am to say that after full consideration of your representation Government do not propose to abandon their intention to create in the most effective way at present apparent to them a most valuable industrial area in the general public interests.

I have the honour to be,

Sir,

Your most obedient servant,

For Deputy Secretary to Government.

No. 1176.

GOVERNMENT OF INDIA.

Department of Commerce.

Simla, the 16th April 1920.

From

E. C. ANSORGE, Esquire, I. C. S.,

Under Secretary to the Government of India.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

Old Telephone Buildings,

19, Bank Street, BOMBAY.

Sir.

I am directed to acknowledge the receipt of your letter dated the 6th April 1920 regarding the grant to the Khapoli Land Company Ltd., of a monopoly for the use of the tail-water from the Tata Hydro-Electrical turbines, and to say that it has been transferred to the Board of Industries and Munitions for disposal, to which all further communications on the subject should be addressed.

I have the honour to be,

Sir,

Your most obedient servrnt,

S. C. ANSORGE,

Under Secretary to the Government of India.

Telegram Dated 6th May, 1920.

No. T. 1007.

TO THE BOARD OF INDUSTRIES AND MUNITIONS.

SIMLA.

Committee Indian Merchants Chamber invite your earnest and urgent attention to their letter dated 6th ultimo transferred to your Department by the Department of Commerce, Government of India. In view of the many far-reaching Industrial and Commercial issues at stake and the importance

of the principle involved they beg and trust that the entire question of the grant of monopoly of Khapoli Tail water will be seriously considered by your Department and a favourable reply vouchsafed.

JEHANGIR PETIT,
Chairman.

GOVERNMENT OF INDIA.

Board of Industries and Munitions.

No. Eng. 145.

Dated Simla, the 11th May, 1920.

From

The Assistant Secretary,
Board of Industries and Munitions,

To

The Chairman,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

With reference to your telegram, dated the 6th instant, I am directed to say that your letter of 6th April 1920, on the subject of the grant of a monopoly in favour of the Khapoli Land Company Limited for the use of the tail-water from the Tata Hydro-Electric Turbines at Khapoli, has been referred to the Government of Bombay for report and that the matter will

receive the careful consideration of the Government of India when the Local Government's reply is received.

I have the honour to be,

Sir,

Your most obedient servant,

S. M. BANERJI.

.. Assistant Secretary,

Board of Industries and Munitions.

Bombay, 30th June 1920.

From

J. K. MEHTA, ESQ., M. A.

Secretary, Indian Merchants'

Chamber and Bureau,

BOMBAY.

To

The Secretary,

Board of Industries and Munitions,

SIMLA.

Sir,

I am directed by the Committee of this Chamber to thank the Government of India for calling for a Report from the Government of Bombay regarding the granting of a monopoly in favour of the Khapoli Land Company Limited for the use

of the tail-water from the Tata Hydro Electric Turbines at Khapoli; and promising careful consideration of the matter.

My Committee would like to point out that when they first addressed the Government of India on this question they were not in possession of all the details of the agreement. Now that it has been published, they would like to offer the following remarks.

A. It is a matter of great surprise and regret to my Committee that the Government of Bombay should not have waited for the final decision of the Government of India before entering into such an important agreement; specially when my Committee requested them in their letter of the 24th January 1920 and 9th March 1920, to be pleased to postpone the completion of this matter pending the decision of an appeal to the Government of India by this Committee.

B. My Committee requested the Government of Bombay in their letter of the 24th January 1920 to be so good as to supply to them information an at early date "giving the history of the concession and mentioning the reasons which were instrumental in the formulation of the proposal to give away the monopoly of what parctically amounted to the waters of a river." These details my Committee regret, were never and have to this moment not been supplied.

C. Though an agreement in that behalf has been signed, my Committee beg most earnestly that the scheme in view of important question of policy and public interest, involved in it, should even now, be vetoed by the Government of India. At the same time without prejudice to their objection to the agreement on principle, my Committee beg to recommend the incorporation of the following clauses in it.

a. The Company should be required to supply water to all applicants on equal terms without any priority, as is the case with all public utility and water power companies.

b. The Khapoli Land Company should not have any claim on the waters from the Khapoli power-house, falling into a tributary of the river Patalganga, and the waters of the Andhra Tail race falling into a tributary of the Pej river, the Pej river being itself a tributary of the river Ulhas which flows along the river line from Neral to Kalyan and empties itself into the Bassein creeck, as the Public have had access to these rivers and their tributaries from time immemorial, and they cannot be made the subject of a monopoly.

c. A maximum rate should be fixed as in the case of all the water-power companies in Great Britain, and a clause added which would prevent preferential treatment as between consumers of the water of the same class.

d. So long as there is water available the Company should be bound to supply it to all applicants without any distinction.

e. Clause A. of the agreement gives practically perpetual monopoly to the Khapoli Land Company, as it provides for the lease to run concurrently not only with the subsistence of the present license of the Tata Hydro-Electric Company but also with all extensions and renewals of the license of 1907 granted to the said Company. Such a perpetual monopoly is wrong in principle and against public policy. It has also invariably been opposed both by the different Provincial Governments and the Government of India.

I beg to remain.

Sir,

Your most obedient servant,
(Sd.) J. K. MEHTA.
Secretary.

APPENDIX 41

Issue of licenses by the Collector of Customs for the Import of Dyes.

No. T. 393.

27th December 1919.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

G. S. HARDY, Esquire, I. C. S.,

Ag. Collector of Customs,

BOMBAY.

Sir,

Under directions of the Committee of this Chamber I beg to invite your attention to certain grievances of our local Dye Merchants and consumers with regard to the procedure in vogue at present about the granting of licenses. This is in continuation of a representation addressed by my Committee to the Secretary, Commerce and Industry Department, Government of India, Simla, and the speech made by the Chairman of this Chamber at the time of their interview with the Hon'ble Sir George Barnes K. C. B., Member for Commerce and Industry, Government of India.

My Committee understand that licenses to import dyes from countries other than the United Kingdom are refused even on the ground that they are being manufactured in the United Kingdom irrespective of the fact whether sufficient quantities can be supplied for total Indian requirements.

Not only this but other chief considerations which natura-

ly weigh with Dye merchants and consumers are whether British manufacturers are in a position to supply goods against indents of the same quality (strength and shade being vitally essential) at a price which is almost the same as that quoted by non-British suppliers.

The Committee do not think that merchants and consumers will have any reasons to object to sending their indents to British manufacturers provided that prices are almost the same, other conditions as regards quality, strength, shade and delivery being equal. In this connection my Committee would like to draw your attention to a suggestion made by them marked C in their letter of the 29th November 1919 No. T 322 a copy of which is enclosed herewith for your information. "C. There must be a fixed ratio of price to determine what should be considered a fair margin of difference between the price for British and non-British manufactures. Licenses should not be refused except when such a difference between the price for a British product and non-British product falls within the ratio fixed."

My Committee will be greatly obliged if you will kindly let them know what interpretation is being put by you upon the words "at a reasonable price" occuring in the Press Communique issued by the Government of India on the 4th September 1919, in this connection.

I beg to remain.

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

R. S. R. No. 339-D. W. of 1919.

From.

G. S. HARDY, Esquire, I.C.S.
Ag. Collector of Customs,
BOMBAY.

To

The Secretary,
Indian Merchants' Chamber and Bureau,
BOMBAY.

New Custom House,
Bombay, 5th January 1920,

Sir,

I have the honour to reply to your letter No. 393 dated the 27th of December 1919, on the subject of the issue of licenses for the import of dyes.

2. It is not a fact that licenses are being refused on the ground that although dyes are being manufactured in the United Kingdom sufficient quantities cannot be supplied for Indian requirements. The question of whether the quantities supplied by the British manufacturers are sufficient is taken into account in all cases.

3. In regard to the last paragraph of your letter, under the latest instructions I have received, licenses will not be refused to bona fide applicants who can show to my satisfaction that they are able to import foreign dyes at a substantially lower rate than those quoted by the British manufacturers.

I have the honour to be,
Sir
Your most obedient servant,
G. S. HARDY,
Ag. Collector of Customs.

No. T. 605.
13th February 1920.

From
J. K. Metha Esqr., M.A.,
Secretary, Indian Merchants' Chamber & Bureau,

To
G. S. Hardy Esqr., I.C.S.,
Ag, Collector of Customs,
BOMBAY.

Sir,

With reference to your letter No. R. S. R. 339 D. W. dated the 5th January 1920, I am directed by my Committee to say that the words "Substantially Lower Rates" occuring in the third paragraph of your letter are vague and do not remove the objection pointed out by my Committee in their letter No. T. 393 of 27th December 1919. My Committee would like to urge that this complaint should be removed as soon as possible in the interest of Indian Trade and Industries.

I beg to remain,
Sir,
Your most obedient Servant.
J. K. MEHTA,
Secretary.

APPENDIX 42

Government Notification
No. 658—D. *re*-Relaxation of
Import Prohibition.
Revenue Department.
Bombay Castle, 23rd December 1919.

No. 1379-W.—The following notification by the Government of India, Department of Commerce and Industry, is republished :—

Customs—War.

No. 856-D., dated Delhi, the 20th December 1919.

The following extract from the Board of Trade Journal, dated the 31th November 1919, is published for general information :—

Government Notices affecting trade.

Import and Export Section.

Abolition of Lists " D " and "E".

The Board of Trade announce that Lists " D" and " E" have been cancelled.

The following goods formerly included in these Lists have been replaced on List " A " :—

Armoured motor cars.

Implements and apparatus designed exclusively for the manufacture of munitions of war or for the manufacture or repair of arms or of war materials for use on land or sea.

Apparatus which can be used for the storage or protection of compressed or liquefied gases, flame, acids, or other destructive agents, capable of use in warlike operations, and their component parts.

RELAXATION OF EXPORT PROHIBITIONS.

The Board of Trade announce that, as from to-day, the following goods have been removed from List " A " of Prohibited Exports :—

Pig Iron.
Lobsters.
Malt Flour.
Castor Seed.

IMPORT AND EXPORT LICENSES.

The Board of Trade announce that the Export License Department has now removed from 1, Queen Anne's Gate Buildings, S. W.-1 and has been amalgamated with the Department of Import Restrictions at 22, Carlisle Place, S. W.-1. The combined Department will be under the charge of the Assistant Secretary, Industries and Manufactures Department, Board of Trade.

Applications for licenses in respect of all commodities (with the exceptions stated below) and all enquiries relating thereto, should be addressed to the Director, Imports and Exports Licensing Section, Board of Trade, 22, Carlisle Place, S. W.-1. (T. N. 4173 Victoria).

Applications for licenses for the import of Dyestuffs should be addressed as hitherto to the Secretary, Trade and Licensing Sub-Committee, Danlee Buildings, Spring Gardens, Manchester, for licenses for the Export of coal to the Controller, Coal Mines Department, Holborn Viaduct Hotel (E. C.) 1.

IMPORT OF GERMAN DYESTUFFS.

The Board of Trade desire to notify Consumers of Dyestuffs that the first instalment of colours which are being obtained from Germany under the Reparation Clauses in the Peace Treaty will shortly be received and will be followed at intervals by further quantities.

It is proposed that distribution should be effected as soon as possible after the arrival of each consignment. For the purpose of making this distribution the information already supplied by the Colour Users' Association and the National Federation of Paint Colour and Varnish Manufacturers as to the probable requirements of their members for dyestuffs during the next six months, will be utilised as a basis. In order that this information may be extended so as to cover the whole of

the requirements of the Colour Using Industry of the United Kingdom, it is desirable that any actual consumer of colour who is not a member of the Colour Users' Association or the National Federation of Paint Colour and Varnish Manufacturers and consequently has not submitted any return to either of those bodies should immediately forward to the Board of Trade Industries and Manufactures Department, Great George Street, S. W. 1, information on the following points, namely:—

(a) The quantity of each particular brand of dyestuff estimated to be required during the next six months and which is not likely to be available in sufficient quantity from either British, Allied or Natural sources of supply.

(b) The approximate consumption during the year 1913 of each of these colours.

NOTE.—The dyestuffs required should, as for as possible, be classified under the following headings:—

Direct cotton colours, union colours, acid wool colours, chrome and mordant colours, basic colours, sulphide colours, vat colours, oil spirit and wax colours, immediate products, and the names given should be the usual trade denominations so as to render them easily idetifiable.

As it is probable that the quantities which will become available under these arrangements will not be adequate to meet the whole of the requirements of consumers, the trade and Licensing Sub-Committee will be prepared to consider applications from actual consumers for additional quantities not coming under the Reparation arrangements it being understood that any permission granted for the import of such additional quantities will be on condition that any arrangements for the

purchase and import will be made by the Central Importing Agency in accordance with the notice in the "Board of Trade Journal" of 26th June 1919.

(Signed) A. H. LEY,
Secretary to the Government of India".

By order of His Excellency the Honourable the Governor in Council,
P. J. MEAD,
Chief Secretary to Government.

19th February 1920.

No. T 631

From

J. K. Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary.
Commerce & Industry Department,
Government of India,
DELHI.

Sir.

I am directed by my Committee to say that they have read with interest the Notification issued by the Government of India ; Department of Commerce and Industries No. 656D dated 20th December, 1919. As stated in the said Notification, the first instalment of colours to be obtained from Germany under the Reparation Clauses of the Peace Treaty, must have alreday been received or is on the point of being received by

the United Kingdom. In this connection, my Committee would like to point out that at the time of the interview of the Hon'ble Sir George Barnes, K. C. B., with my Committee, his attention was drawn to the necessity of giving India a share in the total quantities likely to be secured by the United Kingdom. The Hon'ble Member was then understood to have said that this suggestion would be considered.

Under the circumstances my Committee hope that the claim of India to a share in the colours received by the United Kingdom from time to time will not be overlooked especially with regard to the warieties mentioned overleaf.

I beg to remain,

Sir.

Your most obedient servant,

J. K. METHA,

Secretary.

Direct Colours.

1. Congo. 2. Benzo Red. 3. Delta Purpurine. 4. Direct and Scarlets. 5. Direct Reds Fast to Acid. 6. Direct Black. 7. Direct Fast Pink Fast to Acid. 8. Direct Green. 9. Chrysopheine 10. Direct Violet. 11. Direct Sky Blue F. F. F. quality. 12. Direct Blue Black.

Basic Colours.

1. Scarlet Cry. 2. Violet Cry. 3. Malachite Green Cry. 4. Victoria Blue. 5. Methyl Blue. 6. Auraimine. 7. Eosin. 8. Jute Black. 9. Poncea. 10. Rhodamine.

Acid Colours.

1. Scarlet R. R. 2. Scarlet R. R. 3. Soluble R. Blue Powder. 4. Soluble Blue Cry. 5. Fast Red A.

Sulphur Colours.

1. Sulphur Brilliant Green. 2. Sulphur Violet G. G. 3 Sulphur Indigo Blue. 4. Sulphur Sky Blue. 5. Sulphur Orange. 6. Sulphur Prune. 7. Sulphur Lemon Yellow.

Developed Color.

Premuline and Azo Scarlets.

APPENDIX No. 43.

Tariff Valuation of Sugar.

No. 408-D.

Government of India.

Department of Commerce and Industry.

Delhi, the 21st January 1920.

From

E. C. Ansorge, Esquire, I. C. S.,

Under Secretary to the Government of India;

To

The Secretary,

$\frac{\text{Burma}}{\text{Madras}}$ Chambers of Commerce.

Sir,

With reference to the corsespondence ending with my letter No. $\frac{5122}{6081}$ dated the $\frac{\text{10th July}}{\text{19th August}}$ 1919, I am directed to forward, for the information of your Chamber, an extract (paragraph 1-3) from a letter received from the Director General of Commercial Intelligence, No. 183, dated 8th January 1920, on the subject of the system for the valuation of sugar for import duty, and to say that the Government of India have

agreed to the suggestion of the Director General that for the purpose of fixing the tariff valuation of sugar imported into India, Jave 23 Dutch standard and above should be accepted as the standard grade by reference to which theother grades will receive their values by means of fixed margins.

I have the honour to be,

Sir,

Your most obedient servant,

E. C. ANSORGE,

Under Secretary to the Government of India.

No. 409-D.

A copy, with a copy of the enclosure, is forwarded to all other Chambers of Commerce for information in continuation of the endorsement from this Department No. 3268, dated the 20th May 1919.

A copy is also forwarded to the Director General of Commercial Intelligence, for information, with reference to his letter No. 183, dated the 8th January 1920.

By order, etc.,

B. BANERJI.

For Under Secretary to the Government of India.

No. 183.

Commercial Intelligence Department, India.

Calcutta, the 8th January 1920.

From

H. A. F. LINDSAY, Esq., C. B. E., I. C. S.,

Director-General of Commercial Intelligence,

To

The Secretary to the Government of India.

Department of Commerce and Industry,

DELHI.

Sir,

I have the honour to invite a reference to the correspondence ending with your end. No. 3268, dated 20th May last, on the subject of the system for the valuation of sugar for import duty. As directed in that letter, I have discussed the system, in detail, with Chambers of Commerce principally interested. It was generally recognised that the valuation of all grades on the basis of 12 months' average prices had proved inequitable in practice, particularly as a result of conditions arising from the war. Although the results were fair enough in the case of the few principal grades, of which large quantities are imported throughout the year, the tendency was to accentuate differences of value between these grades and grades which are only imported at long intervals when prices are not necessarily normal.

2. As a result of these discussions, I have already suggested in connection with tariff Re-valuations for 1920 that Java 23 Dutch Standard and above should be accepted as the

standard grade by reference to which the other grades will receive their values by means of fixed margins. I understand that this proposal is acceptable to the Government of India, who have notified valuations for 1920 on this basis. I am writing, therefore, to Collectors of Customs drawing their attention to the new procedure; and explaining that, although this Department still requires average values of all grades as a means of checking the fixed margins, the Indian *Trade Journal* will, in future, publish the monthly values of Java 23 Dutch Standard only with particulars of the margins fixed, namely:—

Beet Crystals	To be valued at the same rate as Java 23 D. S. and above.				
Sugar, Crystallised and soft, from					
Mauritius	Re. 1	8	0	lower	
Java D. S. (16/22)	Re. 2	0	0	,,	
Java D. S. 15 and under ...	Re. 2	8	0	,,	
Japanese and Foremosan Crystals.	Re. 2	0	0	higher	
China Crystals	Re. 2	0	0	,,	
Egyptian ,, ...	Re. 1	0	0	,,	

3. The Government of India will doubtless wish to convey their orders on this subject to Local Governments and Chambers of Commerce, in continuation of their letter No. 5841-87, dated 19th August, 1911.

I have the honour to be,

Sir,

Your most obedient servant,

H. A. F. LINDSAY,

Director-General.

APPENDIX 44.

Restrictions upon the export of Onions.

Khan Building Chicalwadi.
Grant Road, Bombay, 28th January 1920

The Secretary,
Indian Chamber of Commerce and Bureau,
BOMBAY.

Dear sir,

REGARDING EXPORT OF ONIONS.

You may be fully aware that in spite of prohibition of export of onions, the prices are ruling considerably high, thereby causing greatest possible hardship to poor public whose one of the staple foods is onions. Some time ago I had read in the newspaper regarding the Press Communique about the export of onions in which it was stated that regarding Bombay export of onions the question will be considered in February.

I have heard from certain source that the Government is thinking of opening export of onions which should be stopped for the following reasons :—

(I) As it is, the price of onions is so exhorbitant that it tells severely upon the purse of even men of moderate means, and so what must be the condition of poor persons who cannot do without onions.

(2) If export is opened, the prices will be doubled or trebled in no time thereby causing further hardships on poor Onion consuming public.

(3) Owing to scarcity of food stuffs we are witnessing regular strikes and so under the circumstances it is not advisable to open export unless the prices reach their previous limit of 6 to 8 Annas a Maund where as we have to pay 5 or 6 times the prices at present.

Consequently I request you on behalf of poor onion consuming public to make a strong petition to the Director of Civil Supplies Bombay, impressing upon him not to allow export of onions for a further period of 4 to 6 months or say upto the middle of June when the hot season crops should be ascertained and then the question may be reconsidered if prices are normal. The matter is most urgent so I request you to move into the matter at once as otherwise it will be too late.

Hoping to be excused for the trouble.

I remain,
Dear sir,
Yours faithfully,
D. D. BELGAMWALA.

Telegram.

To Commerce.

DELHI.

Committee Indian Merchants' Chamber understand that the question of allowing export of onions from Bombay is shortly to be considered. If so Committee beg strongly to protest against such proposal which will mean higher prices for onions and entail hardship on poorer Classes who use them as a necessary of life.

J. K. MEHTA.
Secretary
Indian Merchants' Chamber.

No. 329 F. S.

GOVERNMENT OF INDIA.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(FOODSTUFFS.)

From

C. W. JACOB, ESQ., I. C. S.,

Deputy Secretary to the Government of India.

To

J. K. MEHTA Esqr.,

Secretary.

Committee Indian Merchants' Chamber, Bombay.

Simla, the 31st March 1920.

Sir,

In continuation of my letter No. 251-F. S. dated the 8th March 1920, I am directed to inform yon that it has been decided to continue for the present the existing restrictions on the export of onions from the port of Bombay.

I have the honour to be,

Sir,

Your most obedient Servant,

C. W. JACOB.

Deputy Secretary to the Government of India.

APPENDIX No. 45

The Indian Jails Committee.

No. 933,

Judicial Department.

Bombay Castle, 28th January 1920.

From

J. CRERAR, Esquire, C. I. E.,

Secretary to the Government of Bombay;

To

The Secretary,

Indian Merchants' Chamber and Bureau,

Bombay.

Sir,

I am directed to forward herewith a copy of the paper of interrogatories framed by the Indian Jails Committee which will visit Bombay from 8th to the 11th March 1920, and with reference to question No. IX on the subject of labour for prisoners I am to request that if the Indian Merchants' Chamber and Bureau desires to place its views before the Jails Committee, you will be so good as to forward them to Government by the 10th February 1920, and state whether the Indian Merchants' Chamber and Bureau wishes to depute a representative to give oral evidence before the Committee.

I have the honour to be,

Sir,

Your most obedient servant,

J. CRERAR,

Secretary to Government.

No. T 550.

10th February 1920.

From

J. K. Mehta, Esquire, M. A.,

Secretary, The Indian Merchants' Chamber and Bureau,

Bombay.

To

J. Crerar, Esquire, C. I. E.,

Secretary to the Government of Bombay;

Judicial Department,

Bombay.

Sir,

With reference to your letter of the 28th January 1920, I am directed to inform you that my Committee are in agreement with the Industrial Commission in thinking that in Jail Industries only manual labour should be allowed. They consider the establishment of power factories inside jail and the extensive employment of machinery as undesirable.

I am directed further to state that Mr. N. M. Masumdar will represent this Chamber to give oral evidence before the Indian Jails Committee.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

N. M. MAJUMDAR, ESQ., REPRESENTATIVE OF THE INDIAN MERCHANTS' CHAMBER AND BUREAU, BOMBAY.

N. M. Majumdar, Esq., called and examined.

18735. *The Chairman* : What do you represent ?—I represent the Indian Merchants' Chamber and Bureau, which is one of the most influential—if I may say so—organisations of Indian Merchants.

18736. How many members are there roughly of the Indian Merchants' Chamber and Bureau ?—I think that there are over 500 firms and individuals who are members of this association.

18737. Are you the Secretary ?—No : I am a member of the committee.

18738. I think that there is no written reply from your chamber ?—The only reply is contained in our letter to the Secretary to the Bombay Government. We are in agreement with the recommendations of the Indian Industrial Commission as regards jail labour ; and that is the only point on which we desire to give any evidence at all. I may say the views of our chamber are absolutely coincident with the views expressed by the Industrial Commission on this point. I may add that we are strongly opposed to the utilisation of power-driven machinery in jails on the ground that it creates unfair competition with private enterprise.

18739. Do you mean that it is unfair to the Jail Department to use power-driven machinery ?—It is unfair to private enterprise outside the jail.

18740. You are strongly opposed to the use of power-driven machinery in jails on the ground that it creates unfair competition with private enterprise ?—Yes, private enterprise is included in the public.

18741. Supposing we take the particular case of jute in Calcutta—a very large industry you may have heard of. There is a jail in Calcutta, where a small number of prisoners work on 50 or 70 looms driven by power-machinery; do you think that the existence of this small number of looms constitutes or involves unfair competition with the enormous jute industry ?—Perhaps, that is a special case in itself.

18742. But that is an individual case?—Yes, it is a very typical case; but there are other typical cases in which it cause unfair competition. I think that at the present moment there is a textile factory in the Coimbatore Jail and in the Bhagalpur Jail in Bihar and Orissa, where they make cotton goods, carpets and blankets.

18743. As regards jute, you agree that the interference caused to private enterprise by the use of power-driven machinery is in that case of no importance?—No: we do say that even to some extent private enterprise is deprived of its legitimate scope.

18744. Private enterprise must be deprived of some of its legitimate scope even if you make jute in hand-loom ?—Not to that extent.

18745. But to some extent?—Yes; but in this case, I may say, that it is not the Government nor the convicts who compete, but it is the machine which competes.

18746. Why do you think that it is the machine rather than the labourer ?—Because the machine produces more than hand-labour.

18747. Taking jute in the first instance, do you then think that the existence of a small number of looms *vis a vis* a very large industry causes unfair competition?—It may not be appreciable; but at the same time it is not invisible.

18748. You agree that it is not appreciable?—Yes.

18749. Take Coimbatore for instance, do you know how many looms there are?—I could not tell off.hand.

18750. Do you know what is the number of looms in Western India?—I cannot tell it off hand without a reference.

18751. How many thousand cotton spinning looms are there in Western India altogether?—About two to three hundred thousand in Bombay.

18752. Do you think that the existence of about 50 cotton looms driven by power in the Coimbatore jail interferes with the cotton weaving industry?—It may not cause interference with the Bombay industry; but it may interfere with the local enterprise.

18753. Do you restrict your sales to Bombay city?—Not necessarily.

18754. Does the Coimbatore Jail restrict its manufactures to locally sold goods?—No; it supplies the Army and Government departments.

18755. You must take the whole thing as a whole. What I am putting to you is that the interference caused by the existence of trifling number of looms, I forget what the number is, is infinitesimally small?—I quite follow, but the results have been obvious: for instance, complaints have been made that private manufacturers have lost government contracts, and preference has been given to jail products.

18756. Of course I admit that they have lost government contracts. If I give a contract for 200 boots to a jail, the private manufacturers lose that contract?—It means that you are supplying boots to Government at the expense of the honest workmen.

18757. What I want you to agree to is that the interference caused by the existence of these looms is infinitesimally small, as compared with the industry affected?—Yes.

18758. Thus the jail industry in jute and cotton is quite small; even as regards blankets if that industry is organised in India, you will admit that, the production of machine-made articles would cause a very small interference?—All the same, complaints have been made and there will always be ground for complaint if you manufacture cotton goods. I may add that the attention of the Industrial Commission was drawn to this fact by the Agents of the Bombay Woollen Manufacturer's Company.

18759. Did they complain about Coimbatore?—They said that although they were ready to supply army blankets to the Supply and Transport Department, preference was given to the Coimbatore Jail.

18760. You admit that the interference of the jails on this head is infinitesimally small?—Still, we would object to it on principle.

18761. Do you agree that it is infinitesimally small though you may object to it on principle?—I admit that it is small on this side of Bombay.

18762. You have got to consider the tax-payer. The general tax-payer has to maintain the people who have broken the law. You are a tax-payer, and I am a tax-payer; and we have to bear the cost of the up-keep of these prisoners in the prisons, Am I not justified in asking that these men should be so employed that they may make some contribution or as much contribution as possible towards the cost of their maintenance?—No: to the extent that you, as a tax-payer, are not justified in asking a hospital to make profits.

18763. I am not talking of a hospital?—But it is an analogy.

18764. Let us keep to the case before us: it is quite sufficient?— Hospitals and gardens are invariable concomitants of our social system.

18765. As far as the hospital goes, if you introduce that you will raise questions affecting a whole lot of other institutions. Let us take the jail: in a jail, you have say a thousand men. These men have to be guarded and employed. I say as a tax-payer that Government should employ these men on such work that the burden on my shoulder may become as light as possible. Do you not think that it is legitimate?—No.

18766. Why do you think so?—Because, the State has to bear the expenses of prisons just as it has to bear the expenses of hospitals or of public gardens or of the health department. You do not make any profit out of these institutions.

18767. You would agree, I think, that when you have got a large body of labour, you must employ it. You have got these criminals in the jails, and you have got to give them some occupation, it is not a garden but a body of men?—Surely, you could give them manual labour.

18768. If you must employ them, am I not right, as a taxpayer, in asking that their labour should be as productive as possible, so that the cost of their upkeep could be reduced? I do not see why I should not be relieved of 8 annas per diem by employing their labour in economical methods?—As a tax-payer I do not feel that I would be justified in asking Government that they must reduce the expenditure on convicts by so many annas a day or a month, as long as it deprives the honest workmen who have to work outside the jail of their monthly income of Rs. 12.

18769. Do you really suppose that the honest workman is affected ? Are you an honest workman or do you represent honest workmen ? You are a representative of capitalists ?—We are employers of workmen.

18770. You are the representative of a very wealthy and as you told us extremely important and influential body of capitalists and you want the general tax-payer to forego the small return to be obtained by employing these men in the most economical way ?—I am afraid I do not see eye to eye with you.

18771. Is not what I say correct ?—No: I say that the tax-payer has to support many other unremunerative institutions in modern society.

18772. Are you not an extremely influential body ?—We are a fairly influential body on the Bombay side.

18773. You are the representative—you really represent capital and you are therefore an interested party, are you not ? —Capitalists never lose sight of their labour.

18774. You are really an influential body of capitalists and you want the public to forego its proper return from economical employment of prisoners in jail, in order that you make a large profit ?—Our profits are divided among shareholders and among the free workmen to whom we give jobs.

18775. We may keep the free workmen in the background for the present. We have in the foreground that capitalists are getting these dividends ?—They invest their capital in more productive occupations.

18776. And you want the poor tax-payer, a man who pays income tax on a small salary, to pay a little more in order that you may be able to give a little more dividends to your shareholders ?—Of course, we want more money in order to employ more labour.

18777. Are you really thinking of the labour?—For the greater good of the greater number.

18778. Do you not think that the greater number in every country are the tax-payers?—There are just a large number of share-holders.

18779. Considering that benefit of the greater number is the benefit of the tax-payers, it is for the benefit of the tax-payers that Government should employ the convicts as profitably as they could be employed?—We would otherwise employ the tax-payers as free labourers.

18780. *Sir James DuBoulay*: I take it that you recognise that the prisoners must be given labour? Quite so.

18781. But you think that they should not compete with anybody else?—No: what we object to is the utilization of the power machinery; it is the machine that would compete with the private labour.

18782. You do not object to the use of power machinery on a small scale?—The utilisation of power machinery would mean that jails would compete for the raw material and also for the sale of the finished product. In fact, I can give you instances in which there has been a scramble for the raw material in areas from which a jail obtains its raw material. In this connection, I would only refer to the evidence of Messrs. Ewart Latham and Co. before the Industrial Commission, in which they quoted a letter addressed by the Madras Chamber of Commerce to the Secretary to the Government of India, Finance Department.

18783. *The Chairman*: What was the date of the letter?—20th April 1919. The letter in question will be found in the Report of the Industrial Commission, Volume IV, pages 144-157 (1918-19).

18784. You have already recognised that any competition that you have ever heard of is infinitesimal ?—From this letter you will see that the competition on that side is pretty serious. As far as my experience goes, the competition on the Bombay side is infinitesimal.

18785. Has it ever struck you that there is very great difficulty in organising prison labour ?—I dare say that it will be for the experts to decide on that.

18786. Is it not obviously the case when you get men from different walks in life who have never been put on these particular kinds of labour ?—I dare say that it will be for the jail experts to decide on that. With regard to this point, I would quote what the Industrial Commission said and that is that in jail industries only manual labour should be allowed.

18787. The question is: is there any interference ? And my point is that it seems to me to be obvious that when you takemen from every class of occupation and try to organise them into some particular trade, you must require a lot of time in teaching the men any work to which they are not accustomed? ?—Yes.

18788. And a great many of these men will never become experts ?—No.

18789. And a great many of them will be men with short sentences and there will be a succession of fresh men whom you will have to train ?—Yes.

1890. Will not these considerations make the competition of jail labour with outside enterprise infinitesimal ?—All the same, I am told that the Bhagalpur Jail produces 6,500 blankets a month, at least, it used to produce such a large quantity according to this letter. *The Chairman* : I am is afraid it is too rosy a view.

18791. You are aware no doubt that about half the prison population is engaged in the domestic management of the jail, *i.e.*, in producing the requirements of the jail !—Yes.

18792. And as compared with the proportion of free population they are very inefficient labour ?—Yes.

18793. And in order to help the jail to pay for itself if this labour is employed economically, you say that it causes unfair competition ?—Because there have been grounds for complaint and instances have been submitted to Government of the unfair competition : these instances you will find in the correspondence recorded in the Report of the Indian Industrial Commission.

18794. Are you aware that opinion in America, for instance, is that free workmen produce about three times as much as jail labour ?—I dare say it is so, as the convicts have no heart in the work.

18795. I gather from what you say that you would not even permit the Government, which was responsible to the public for employing these prisoners on behalf of the public, to produce Government requirements?—No. I am not prepared to admit that because there are many departments of Government which need not be remunerative or which need not pay their way : such as public gardens and hospitals, which are a part of our social system. I maintain that if you use prison labour to any extent, you deprive private enterprise of its legitimate scope : and I speak as an industrial man.

18796. You are speaking for the capitalist ?—Yes, who employ the largest amount of labour. I may add in this connection that if any weaver convict learns for instance what is done in the jails by mean of power-looms, he will be the first to produce that on his release. That is what the Commission also say.

18797. *The Dorai Rajah*: Is the quality of the articles produced by prison labour as good as that of the materials produced by the free workmen outside?—I think that the quality of the articles produced by private enterprise is certainly better.

18798. *Colonel Jackson*: You have already stated that the utilisation and employment of labour in jail is a matter for jail experts to decide on?—Yes.

18799. Were the members of the Industrial Commission jails experts?—No.

18800. So, they were speaking about a problem and a condition of which they knew nothing?—They have left it for an expert enquiry: they have themselves said so.

18801. You say that you would not allow any contract to be given by Government to the jails. Can the jails do anything if they have no power-driven machinery?—Private enterprise would meet the requirements of Government.

18802. That is not my question: you say that Government have no right to give any contract to the jails —I would not go to that extent. Government might supply themselves with their requirements from articles manufactured in the jails: but where these articles compete in the open market with private enterprise, I would object.

18803. Will you tell me what articles could be made in a jail which would not compete with private enterprise?—I can hardly think of any article.

18804. Therefore, you will say to Government: "You are to give nothing to any jail"?—I would say so, if the jail uses power-driven machinery.

18805. As I have already put to you, what articles the jails can make for Government without power-driven machinery ? Is it likely that the jails will be able to turn out hand made articles which will be cheaper than machine-made ones ? Therefore, you bar anything being made by the jails by power-driven machinery ?—Yes, that would be the result. If no powerdriven machinery be used in the jails, Government would not be in a position to obtain anything from jails except handloom carpets.

18806. Is it likely that Government would give a large order to the jails for Persian carpets ?—I do not think so.

18807. Of course you know that Government have a certain duty to discharge to the prisoners, and punishment is not the only thing in a jail. A man is supposed to be sent out able to resume an honest life and be able to obtain work and now when machinery has developed on every side and when manual labour is going to the wall a man who has been in jail for some years and has never seen a machine will have no chance on coming out of competing with a free man ?—I should like to ask if a man who has learnt a particular trade in a jail always follows that occupation later on in life.

18808. If a man lives in a city like Bombay he will get employment if he has learnt the use of machinery in a jail ?—If he is a city man he is acquainted with the machinery work. The majority of the people in Bombay know this, and there are about two lakhs who are acquainted with mill work.

18809. A man who has been in jail for eight years will perhaps not find the same machinery and the same mill, and will be handicapped by not having seen anything new or picked up any new arrangement. Is Bombay such a non-progressive city that its machinery and methods are likely to remain unchanged for 10 years ?—Textile machinery does not change very much.

18810. Have you any idea of the proportion of the number of convicts employed in manufactures in Bombay jails as compared with your total population in Bombay ?—I have not got the figures.

18811. Would you accept it from me that there are only about 3,000 prisoners in the whole Bombay Presidency who are employed in manufactures ?—I have admitted already that the effects of jail competition are very small.

18812. Have you any objection to anything that is being done in Bombay in this direction ?—I think the textile industry in Bombay has developed to a very large extent. There are some 120 mills in Bombay and Ahmedabad. They can very well stand on their own legs.

18813. Would you have any objection to starting power mills in the Ahmedabad jail ?—We would object to it on the principle I have enunciated.

18814. Is there at the present moment anything in the Bombay jails to which you object ?—We object to the press, in the Yeravda jail. If that press did not exist private enterprise would have been able to undertake the work.

18815. I cannot really follow why capitalists should get a subsidy from Government. You are practically saying to Government "Take these sturdy agriculturists and mill men from Bombay, and keep them and feed them, but you must not employ them." In this way you are getting an indirect subsidy ?—On the other hand we maintain that the jails get an indirect bounty. They have not to pay the wages which we have to pay.

18816. The Government have to feed the men, house them which is about all that any mill man can manage to get out of his wages ?—I do not think the expenses which Government

incurs on the maintenance of its convicts equal the total earnings of similar class of people earning an honest living in a trade.

18817. The prisoner only works hours a day ?—To that extent the jail industry has an advantage over us.

18818. You are talking of a mill hand. He gets about Rs. 12 a month ?—It is much more now. For the last 10 years there have been successive rises.

18819. Do they now get Rs. 15 ?—You would not get a labourer on less than annas 12 or rupee 1 a day.

18820. If the maintenance cost of a prisoner is taken, and if we add to that the maintenance cost of the men who are sick and feeble and are unable to work, it will be seen that we are paying them in food, clothing, and maintenance a higher wage than a mill hand gets in Bombay. If you take the maintenance cost of a certain number of prisoners you will find that they are earning very good wages ?—I think the result will be in favour of the jails.

18821. Is it your objection that Government do not pay enough for their labour in the jail. Supposing Government agree, as suggested by many people, that prisoners should earn wages in jail, and if we give them enough to bring their wages up to the average rate outside would you even then object to competition from the jails. We will pay them wages to bring them up to the average wages of the mill hand ?—I do not think it is possible. In that case where is the benefit to the tax-payer ?

18822. Your objection is that we do not pay them a wage, we now come forward and say we will pay them a wage and then you say that it touches the general taxpayer, but

when it benefits the capitalist you have no objections?—Is it practicable for Government to pay to a prisoner the average wage which we do.

18823. When we take into consideration the cost of their food and clothing and add to them the other necessary charges it would not be very difficult to bring it to the average wage of a mill hand?—There are other factors also apart from the question of wages.

18824. Will you please tell me where we can sell the produce of manual labour. What forms of manual labour are we generally likely to find?—Breaking stones and making roads.

18825. You would have no objection to putting men of a high class on breaking stones and making roads?—I would object to that. There might be other employments found for them, but they need not necessarily be employed on power-driven machinery.

18826. Will we be able to sell in the open market and get some profit?—These educated people who are in jail are very few in number.

18827. As to the forms of labour you can only suggest breaking stones and making roads?—You might employ them in keeping accounts.

18828. I will not allow any prisoner to keep my accounts. Will you give some other form of manual labour the product of which can be sold in the open market at a fair price?—The product of handlooms can be sold in the open market.

18829. Is it a fact that the cloth produced by the hand looms can not compete with the cloth produced by the power driven machinery?—There is also room for hand products.

18830. The hand loom is generally used in villages and its products are used by the person who makes the cloth, but I have a big jail with 1,500 prisoners, and I have some 800 looms working, and I ask you where I am to sell the products of those looms ?—You will always find a market for them. Take for instance the Poona side sarhis for the ladies. These are all hand made sarhis.

18831. You want me deliberately to compete with the workmen of Bijapur, and thus you have no objection to my competing with the manual workers outside ?—I am afraid you would be competing with those workmen.

18832. But you have no objection to that ?—From the point of view of the hand loom weavers I would object.

18833. Then your point of view is that they should do no work on the whole. If they work on the power-driven machinery they compete with the capitalists, otherwise they compete with the manual labourer. Is that not the whole position that the prisoner is to do no labour except breaking stones, grinding, road making, etc. Here you are a business man and you cannot think out a single thing that will not compete with the free village labourer or with the capitalist ?—I cannot really suggest the forms of punishment.

18834. I am speaking not of punishment but of labour and practical difficulties. Your only suggestion is that we should put all our prisoners on the absolute penal forms of labour like breaking stones, digging earth and other manual because you clearly debar them from any competition with power-driven machinery, and you debar them also from competing with the manual workers ? —Is there any jail in England which employs power-driven machinery.

18835. In one jail in America they make agricultural implements and other articles as a result of which the jail is not only self-supporting, but is able to pay quite a good sum to the treasury. The American penologists laugh to scorn the idea that capitalists have a right to say that they would deprive prisoners of the decent modes of labour. They did not recognise that one man has a right to deprive another citizen of the right to work?—This applies to free men.

18836. Are any fees charged for hospitals?—Yes.

18837. Do not Government do what they can to make their hospitals pay. Are hospitals in this country like any others in other countries?—There they are purely private institutions.

18838. The illustration regarding the hospitals shows the big anamoly that exists in India as compared with other countries. Take another instance. A public garden is a pleasure resort which is for the direct benefit of the tax-payer. If you go to a cinema or theatre you have to pay for that. You have got the whole of the tamasha but you pay for that. That has no analogy to the jail?—There must be certain departments of State which should not be profit-making.

18839. According to you beyond stone breaking and digging earth and making roads there is nothing to which a prisoner can be put?—There are many other things.

18840. *Sir Walter Buchnan*: On what work can the prisoners be employed?—There is plenty of work for them.

18841. What work? You might put them on agriculture or road making.

18842. If they are put on road making would they not to a certain extent compete with the cooly class. If 100 prisoners are employed on road making will it not deprive 100 coolies living in the neighbourhood of that particular form of labour? That particular form of labour is available in large quantities, and the keenness is not felt.

18843. You do not object to the cooly being interfered with in regard to roadmaking because he is a cooly ?—He will find work elsewhere.

18844. He is driven elsewhere by the jail labour ?—Otherwise he would work on his farm.

18845. You want to put the prisoners on the farms ?—That would not be a bad idea.

18846. Would that not deprive a certain number of agriculturists of labour?—It would develop the soil which is undeveloped.

18847. Why do not the ordinary people develop it now. You do not think the employment of prisoners on farms would interfere with those living on a similar kind of labour ?—There is always room for developing more and more land.

18848. You agree that every possible form of labour which is done by the prisoners must to some slight extent interfere with free labour ?—If you utilise power driven machinery in the jail you necessarily produce more than you would produce without the help of the machinery, and what I object to is the machinery and not the work of the men.

18849. You object also to handloom. If the prisoners do any work they must interfere with the work of someone. Why do you not go further and say that prisoners must not do servants' work in the jail as it deprives a lot of men of the opportunity of service in the jail. Why should you allow prisoners in a jail to do the sweeping as it deprives a lot of hard working sweepers of the opportunity of work, and why should you fight for the mill men alone, and not for the sweepers and other classes. Do you think that the jail should refuse to use their own sweepers ?—It is a question of degree.

18850. You have admitted that this interference is infinitesimal?—On the Bombay side yes. There is however a very keen competition in coir work between the Bangalore mill and the Coimbatore jail.

18851. The capitalists do not think of the other side of the question. Don't you think that yours is a selfish point of view?—We represent the business men and we take the business point of view.

18852. The business point of view is a selfish point of view?—May I just recall a resolution passed by the Conference of Chambers of Commerce of the Empire held at Sydney. The resolution is as follows:—"Whereas private enterprise has the right to be protected against the competition of articles manufactured by convict labour at an artificially lowered cost of production and whereas there are indications to a tendency in certain parts of the Empire to develop the commercial element of jail labour to the injury of private manufactures, this Congress approves the principle that the produce of jail manufacture shall be used in Government service only, but in no case should power machinery be employed in jails for the production of articles of trade." We endorse the principle that the produce of jail manufacture shall be used in Government service only, but in no case should power machinery be employed in jails for the production of articles of trade.

18853. That excepts power driven machinery for the press, and thus you should have no objection to that?—Our objection is to the sale rooms which interfere with private enterprise.

18854. You do not object to power machinery for the articles for the consumption of Government departments?—We would not have so much objection to that. We have

not objected to printing press at Yeravda. We said that we agree generally with the recommendations of the Industial Commission.

18855. *The Chairman* : You have no objection to power driven machinery in the jails provided the articles are used for consumption in public departments ?—Yes, that is on all fours with the recommendations of the Industrial Commission with which we agree, and my committee are of opinion that the recommendations of the Industrial Commission might be supported.

18856. Then we can shake hands because the Coimbatore jail and the Alipore Jail both supply Government departments. Your Sydney conference agreed that power machinery may be used for articles intended for Government departments. Do you endorse that ?—When Government can get an article made by private enterprise it should not set up a factory, If that article is not forthcoming then they might start a factory in the jails. If these articles made in jails compete in the open market with the products of private enterprise we would object to the utilisation of power machinery in the jails.

18857. Do you object to power driven machinery altogether ? It appears you do not object to power driven machinery provided it is used for goods for Governments ?—We object to the power-driven machinary at all. I was only pointing out the resolution of the Sydney conference of Chambers of Commerce so far as it agreed with this.

18858. But you agree with the Sydney Conference ?—It does not prevent the jails from competing with private enterprise in tendering for articles required by Government.

18859. *K. B. K. Hanid Husain* : You hold that convict labour should not be brought into competition with private enterprise. You take your stand altogether on this principle.

I challenge this principle. What have you to say as to that? Why should convict labour not compete with private enterprise?—Because private enterprise employs free labour, and thus they are handicapped in competing with Government in the open market.

18860. How is it handicapped?—We have to struggle to find our labour, and we have to house our labourers.

18861. What difference does it make?—You do not pay any wages to the convicts. And you are able to compete at a lower rate.

18862. Only if articles produced by convict labour were undersold, is it not?—Yes.

18863. Is that the only ground?—That is the main ground. To that extent it interferes with private enterprise.

18864. You said that your objection was that articles produced by convict labour would be sold at cheaper rates than those produced by free labour?—That is one of the grounds.

18865. State all your grounds?—The important ground is that if jails manufacture goods by power driven machinery, to that extent private enterprise would be deprived of the legitimate chance for the public and also for the Government.

18866. Why do you call it illegitimate? I think you want enterprise in all forms and ways if you want the industrial development of the country. Your other ground is that private enterprise ought to be encouraged at the expense of labour to be given to prisoners?—Private enterprise is even encouraged by grants from Government.

18867. Please say 'Yes' or 'No' to my questions. Your first reason was that convict labour undersells the products of free labour?—It can undersell.

18868. That is one ground. The other ground is that private enterprise ought to be encouraged?—Yes that is the other ground.

18869. What is your next ground?—I have told you the main grounds.

18870. Are these the only grounds?—There are other minor things. For instance, the jail has to go on producing whether there is immediate market or not. The factory owner will always regulate his production to the requirements of the market and a factory is run on business lines. These are some of the objections that have occurred to me.

18871. How does it affect private enterprise?—Jails go on manufacturing things. We can curtail our labour if the market does not want a certain thing. For instance if 100 men are working, we can clear out some and work with 50 men. The jails go on manufacturing whether there is market or not and therefore there is difference.

18872. How does it affect you? Let it go on manufacturing?—Because there is then over-production in the jails.

18873. Then it comes to the same?—Yes, there are various branches of the same argument.

18874. If these were the only objections, I would have stopped this question, but you don't give that answer. Now tell me whether these are the only objections?—Yes.

18875. *Mr. Mitchell Innes*: You will admit that the whole world is starving for goods and crying out for goods for consumption. When the whole world is calling for high production, you deliberately wish to handicap it?—There are

plenty of free people in India who could increase production by private enterprise. May I make one representation as a member of the Bar and not as a representative of the Committee. May I suggest that the provisions of section 562, Criminal Procedure Code, which empowers a magistrate to impose a fine instead of imprisonment in the case of first offenders might be more liberally exercised. I also think that short term imprisonments might as far as possible be abolished, *viz.*, week's and fortnight's imprisonments which the magistrates are very fond of giving. I also feel that the opinion of the Bar here in Bombay is that there might be some distinction made on the lines of distinction made at home between first division and second division prisoners. *The Chairman* : The last is a wider question. The first two points we will take up.

(The Witness withdrew.)

APPENDIX No. 46.

Shortage in the Consignments of the cloth and yarn from Mills at Burhanpore.

No. 345.

Bombay 8th November 1919.

To

The Secretary,

Bombay Native Merchants' Bureau,

Bank Street, Fort,

Bombay.

Dear Sir,

We have been forwarding consignments of cloth and yarn bales to different centres in India from our mill at Burhanpur, and frequently at the place of destination some of the contents

from the bales is found short. It appears that under the Risk Note H. which the G. I. P. Railway insists on our signing before they book the goods, we become helpless and cannot claim compensation for such shortage from the Railway. It is a great hardship that the Railway who ought to be responsible for any loss is absolved from such responsibility and the consignors have to suffer for what takes place whilst the consignment is in the Railway control.

Lately out of a 104 Bales of Cloth from Burhanpur to Bombay we on taking delivery found that one of the bales had been opened and fourteen pieces of cloth abstracted therefrom and the opening had been stitched up. In this case also the G. I. P. Railway declined to compensate us.

Also lately in another instance out of 63 bales of cloth consigned from Burhanpur to Bombay one bale was found short and the Railway refused to compensate us in any way.

It is also a practice, especially in Bombay either at Wari Bunder or at Victoria Station that before the consignment is delivered to the Consignee, the clean Railway receipt has to be handed to the Railway and if any shortage is to be found in the consignment no remark is allowed to be made on the receipt and thus taking advantage of this fact, the Railway declines to consider any claim on the ground that a clean receipt is delivered to them. We shall therefore, feel obliged if you will kindly move the authorities concerned and take other steps to ensure proper compensation to consignors who may suffer from shortages as aforesaid. In the meantime kindly keep us informed of what takes place in connection with this question.

Yours faithfully,

COWASJEE DINSHAW BROS.

No. T 391.

23rd December 1919.

From

J. K. MEHTA, ESQUIRE, M. A.

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The General Traffic Manager,

Great Indian Peninsular Railway,

BOMBAY.

Sir,

It has been brought to the notice of the Committee of this Chamber by a member that under the Risk Note form H. which your Railway insists on his signing before he books the goods he cannot claim compensation for any shortage which might occur. He gives two instances of such shortage in which he was not awarded any compensation for the loss suffered by him.

1. Out of 104 bales of cloth from Burhanpur to Bombay, it was found that one of the bales had been opened and fourteen pieces of cloth abstracted therefrom and the opening had been stitched up. There was no compensation awarded.

2. Out of 63 bales of cloth consigned from Burhanpur to Bombay, one bale was found short and yet no compensation was awarded.

As far as my Committee are aware, if there is a loss of a complete bale compensation has to be awarded under the terms of the Risk Note H. They are also informed that such a compensation is given by the B. B. & C. I. Railway.

My Committee will be obliged if you will kindly let them know what the practice with your Railway is and the reason for not awarding compensation in the aforementioned instances. For the purposes of reference, I may inform you that the member in question who consigned bales in cloth is the firm of Messrs Cowasjee Dinshaw and Bros.

I beg to remain,

Sir,

Your most obedient Servant,

J. K. MEHTA.

Secretary

No. N 1850.

Bombay 30th January 1920.

The Secretary,

The Indian Merchants' Chamber and Bureau,

Old Telephone Buildings,

19 Bank Street,

BOMBAY.

Dear Sir,

Burhanpur to Wadi Bunder.

Invoice No. 47 of 29-7-1919.

In reply to paragraph 2 of your letter No. T 391 of the 23rd December 1919, I beg to say that a pay order for Rs. 505-13-2, is being issued in favour of Burhanpur Tapti Mills.

In regard to paragraph 1 of your letter the matter has been referred to the Goods Superintendent, Wadi Bunder and I hope to give you a reply shortly.

Yours truly,

H. WOSS.

Ag. Dy. Traffic Manager "Coml"

APPENDIX 47.

Report of the Currency Committee.

19, Bank Street,

Bombay, 27th February 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

Bombay.

To,

The Secretary,

Finance Department, Government of India,

Delhi.

Sir,

The Committee of the Indian Merchants' Chamber consider the Report of the Indian Currency Committee published after very long delay as most unsatisfactory for reasons mentioned in the following paragraphs :—

1. The unsatisfactory character of the Report was more or less anticipated by my Committee in view of the extremely narrow and restricted composition of the Currency Committee. The Chamber protested at the time of the

appointment of the Currency Committee against the constitution in so far as there was only one Indian member on the Committee. My Committee regret further that with Mr. Dalal not even one of the members of this Chamber nor anyone engaged in one of the staple trades of Bombay or even one of the large industries was appointed on it. My Committee note with regret that the interests which predominated on the Currency Committee, namely, those of the London Bankers, the Bank of England and the Exchange Banks, have secured a one-sided report, the most objectionable feature of which, in the opinion of my Committee, is the continuance of the control from London over Indian-Currency affairs. Nothing is more objectionable in principle or more galling in practice than the fact that vital decisions on Currency matters are taken in England by the Secretary of State under the advice of all interested parties and without the possibility of Indian opinion from Indian commercial circles penetrating to him. It is a matter of conviction with my Committee that most of the recent blunders in Currency matters would have been avoided if the Government of India had the handling of the situation in consultation with Indian commercial opinion. In so far as public confidence is valuable in Currency matters my Committee are strongly of opinion that so long as the direction of affairs in Currency matters remains with the Secretary of State in London and so long as the Government of India are

powerless and Indian opinion is practically ignored, no policy, however carefully conceived, could prove either popular or successful.

2. It is painful for my Committee to notice that the main suggestions made by the Indian publicists in India and by every Indian witness before the Currency Committee have not been accepted by the Currency Committee. It is also significant that the only Indian member of the Currency Committee, Mr. Dadiba Dalal, a man reputed for his moderation and his close study of the question for a number of years, should have been obliged to make a separate minute embodying conclusions so radically different from those which have been reached by the majority Report. It is impossible to conceive the harm which would be done if the Government proceed to take any action on the Report of the Currency Committee in the face of a separate minute which represents in the main Indian sentiment and opinion on the matters at issue. My Committee would respectfully warn the Finance Department of the Government of India that if the unanimous opinion of Indians in this regard is ignored it would give cause to grave discontent and disappointment amongst all classes of merchants and the Indian public in general.

3. The fundamental error of the majority Report of the Indian Currency Committee is the dictum that a high exchange reacts favourably on the state of industries of the country and on the prosperity of the people. My Committee

do not propose to enter into a serious dissertation on elementary matters but few merchants in India would be found to agree with a conclusion so obviously unsound. The most important branch of the Indian trade and the one which has immediate and far-reaching effect upon the prosperity of the largest number of men inside the country is the export trade and the majority Report of the Committee admits that the export trade would be seriously affected for some time at least. In the opinion of my Committee it would be impossible to exaggerate the harm, and a permanent harm, done to the export trade of the country by the weak policy of the Government in the matter of exchange and they fear that the acceptance of the views of the Committee would tend to magnify evils already being felt.

4. The majority of the Indian Currency Committee seemed to be obsessed with the fear of consequences of high prices in the country. My Committee would respectfully submit that these fears have been grossly exaggerated and that there is something worse than the consequences of high prices, and that is the loss of public confidence in the wisdom of the Currency policy of the Government and the loss of faith in the good intentions of Government towards the masses of the population. Even if for the sake of argument one were to concede that the policy of high exchange recommended by the Committee would temporarily

prevent a rise of prices, my Committee are of opinion that such a rise is bound to come sooner or later and that the temporary avoidance of such a rise, if it ever could be accomplished, is being purchased at too high a price so far as public welfare is concerned.

5. An aspect of the high exchange value of the rupee which seems to have escaped the serious notice of the majority of the Indian Currency Committee is the break of the legal ratio of 15 rupees for a sovereign. Such a ratio has been established by law and maintained for the last 20 years without a breach, and even in the most enlightened countries a departure from such an established practice would cause serious misgiving in the public mind. In India under the present conditions and with the present tension of feeling, my Committee seriously apprehend that this departure would stir the public mind more than any event of recent times. No single action of the Government of India in the past was liable to so much serious misunderstanding and misconception as this one would be and they would respectfully bring it to the notice of Government that a Committee, composed as the Indian Currency Committee was, and sitting as it did in London, might fail to realise this aspect of the question.

6. Apart from the fundamental disregard of Indian opinion in the matter of the exchange value of the rupee, the majority of the Indian

Currency Committee have by their recommendations set aside Indian sentiment which has been unanimous for the last 10 years and which has strongly urged on the Government a change in their practice with regard to the constitution and location of various Reserves. They have even reversed on this question some of the recommendations contained in the Report of the Chamberlain Commission which was otherwise unsatisfactory. With regard to the Paper Currency Reserve the Chamberlain Commission recommended investments upto 20 crores of rupees in Indian securities which formed between onethird and one-fourth of the gross circulation of notes in India at that time. The Indian Currency Committee in their majority Report recommend on the other hand only 20 crores which forms between 10 to 15 per cent of the note circulation of to-day. With regard to the Gold Standard Reserve the recommendations of the majority Report are equally unsatisfactory. Any Gold which the Government of India might secure from the open markets of the world, they suggest, should be put in the Paper Currency Reserve first. When that is saturated with Gold, the Gold should be accumulated with the Gold Standard Reserve up to £ 15 million sterling. Out of this 15 million sterling half should be located in India. The real value of this apparent concession is absolutely nil and nobody in India is going to be misled by the glib and selfsatisfied manner in which this part of the

Report has been couched. There is a singular unanimity of opinion in India with regard to the location of India's funds. It is monstrous that at this time there could be any serious dispute as to the desirability of keeping all the funds belonging to India inside the country, and of withdrawing, as far as possible, from the use and investment of these funds in England or in the Colonies, particularly, in view of the unhappy results achieved so far. The serious capital depreciations in the securities held and the enormous loss which this country is going to suffer from the transference of some of these funds back from London to this country ought to be sufficient warning to any statesman against a repetition of this iniquitous system.

7. My Committee do not agree with the genesis of Currency troubles as outlined by the majority Report. There is a portion of the Report which is candid, if all too brief, with regard to what appears to my Committee the one real source of difficulty. This is where they refer to the over-issue of Paper Currency Notes as occasioned by the necessities of war. My Committee would like to draw the attention of Government to paragraph 8 of the separate minute of Mr. Dalal in which he shows conclusively that there was, in the first instance, an excessive issue of Paper Currency Notes by Government without any thought of consequences when they were hard pressed for purchasing munitions of war for England and the Allies. Then when

they found that there were too many notes and that there was a serious discredit attaching to the Indian Paper Currency not only in the mofussil places away from the large centres of trade and amongst the illiterate farmers but amongst businessmen in the Presidency towns, a discredit brought about by their own unwise action, they hastened to make a scramble for all available silver in the world and went on raising the price of silver against themselves by their over anxiety to give some metallic cover to their note issue. The figures of note issue and the stock of rupees with the Government of India during 1916-17, 1917-18 and 1918-19 tell the whole story very eloquently. The injury in the first instance, was done in order to help England and the Allies, an injury which was accentuated by keeping down the exchange to 1s. 4d. at a heavy loss to the public exchequer and with serious interference through control and other means with the ordinary operations of trade. Such sacrifice India would have borne with dignity and courage if she had been rewarded after the Armistice by a fair treatment, let alone generosity, by England and her financiers. On the contrary a most selfish and one sided action was pressed on the Secretary of State by London interests and once the safe precincts of the established rate of 1s. 4d were abandoned, action was taken, regardless of consequences to Indian prosperity, by following in the most naive and unjustifiable manner the vagaries of the silver market of London,

The constitution of the silver market has always been regarded as unsatisfactory to Indians in Bombay and the evil consequences to India of reliance being placed on that market are now being realized by every one concerned. Again, instead of India being in a powerful position as the only country in the world whose total currency had the largest metallic backing, she appeared before the world in a helpless condition merely drifting with every evil wind which blew across the Atlantic from America. India, usually a debtor country, was a creditor country for the time being and entitled to payment for her commodities in a form acceptable to her people. The obvious course on which any national Government would have insisted was the selling back by England to India of the Indian Rupee Paper and the Indian Sterling debt and the Railway Debt held by Englishmen. The mobilization of Indian securities in order to stay the rise of exchange was not adopted by England as it was adopted by her under similar conditions with the United States of America. With a general depreciation of all Government paper it was a valuable opportunity for freeing India from the debt of England in this one direction which unfortunately the Government of India were too weak or too negligent to adopt. Failing securities, it was open to England to send in very small lots of Gold in payment of India's claims. Any neutral country or any self-governing colony

would have insisted upon this rather than disorganize their internal currency and their Exchange, and consequently both their trade and industrial activities. This remedy was not resorted to merely in order to protect English financial interests at the expense of India nor did the Government do anything to make available for India at a reasonable price such goods as were produced for export purposes in the United Kingdom as compared with her pre-war imports, all on account of the rank subordination of the Government of India in this matter to the Secretary of State, and on account of the impervious character of the India Office so far as Indian opinion was concerned. A great harm has been done to India since the Armistice in all these matters and my committee feel that it would be more graceful and dignified if the harm done so far were frankly admitted and assurance given with regard to the future by a radical change in regard to the control of Indian Currency policy. It is a matter of serious disappointment that instead of doing so, the majority Report to the Indian Currency Committee propose to perpetuate a course of action which has been harmful to India, which possibly arose from unavoidable causes during the war and immediately afterwards, but the perpetuation of which can only arise from gross selfishness and from the sacrifice of the trust placed in the hands of the Government of India. The section of the people hardest hit by recent financial events and likely to be hit

in the future are just those who are voiceless in the matter and unable to make a protest at the moment against the iniquitous system which it is proposed to set up. As these matters become better understood in the future the course of action taken since the Armistice and suggested for the future by the majority Report are bound to evoke great dissatisfaction and comment. My Committee feel it their duty to make this aspect of matter clear before the Government are finally committed to an unsound policy for the future.

8. My Committee would also point out that the majority Report has taken no account of the protest registered by them in regard to the exclusion of Indian Banks from the guarantee given to the Exchange Banks against exchange losses. The public is still in the dark as to the real position about this matter, as to the actual liability incurred under this head, and the payments, if any, made to the Exchange Banks. It would come to them as a matter of some shock to learn that during the period when the prosperity noticeable from the publication of Reports of Exchange Banks was absolutely unparalleled, public money was given to them, the promise being made under a panic and carried out under selfish pressure in serious disregard of public interests.

9. My Committee cannot omit a passing reference to the question of the constitution of the amalgamated Banks on which they have laid such emphasis in their representation

before the Currency Committee. The majority Report while anticipating the amalgamation has ignored the suggestions made with regard to safeguarding of Indian interests and the machinery of registering Indian opinion at the centre in the constitution of the amalgamated Banks. Nor can they view with favour the establishment of a purely private corporation of such magnitude enjoying a privileged position and the use of public funds without corresponding safeguards as suggested by this Chamber in their representation before the Indian Currency Committee and in their separate communications to the Finance Department.

10. My Committee have deliberately omitted to take account of every individual recommendation made by the majority report since it is their feeling that the majority Report is fundamentally unacceptable, and in order to get a system conforming to Indian sentiments and opinion, the whole question would have to be reconsidered. If for some reasons the Government find themselves not in a position to reconsider this question fully, in the opinion of my Committee less harm would be done to Indian interests if action were taken upon Mr. Dalal's minute. Even if the Government feel compelled to take action of some sort at the moment my committee would respectfully urge that such action should not be taken by a mere Order in Council or by Executive action but should be embodied in a bill and

carried throughout in a Legislative Council. My Committee do not propose to enumerate separately the suggestions made by them under individual heads since they are available for the consideration of Government in their representations made up till now. The feeling of great harm being done to India is strong to the public mind and my Committee will respectfully warn the Government of India against the adoption of any measures in flagrant disregard of such feeling. Even if the policy recommended by the majority Report were sound, which it is not, it would be disastrous to act in currency matters in an apparently arbitrary manner without the active co-operation of the commercial public. The Report is still being considered by my Committee in details, but they hasten to send their views as far as they have been formulated in order that they should be before the Government before they decide to act on the matter. My committee do not wish it to be conveyed that they are unwilling to take count of all intermediate events. They are ready to keep an open mind on this question if only Government are prepared on their side to respect the sentiments and opinions of Indian Merchants. My Committee are prepared, if called upon, to give a more detailed consideration to any individual measures which the Government propose to take or to confer with the Honorable the Member in Charge of the Finance Department, if he would honor them with a visit or in any

other way to assist the Government of India in any course of action which they may decide so long as it is not dictated from London and it is not in contravention of Indian sentiment and opinion.

I beg to remain

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 48

Extraordinary rise in the Post Office and Bank Exchange Commission on remittences to India.

Mombassa 24th, February, 1920.

To

The Secretary,

The Indian Merchants' Chamber of Commerce,

BOMBAY.

Dear Sir,

This is to confirm our cablegram of the 12th inst, which reads as follows :—

" To, Inchambu,

" Recent extraordinary rise in Post Office and Bank Exchange " Commission on remittances to India of 18 per cent. likely " to undermine Indian trade in East Africa to a great extent " and all clases of Indians, merchants and others are equally " affected and country's progress will be checked and recom- " mend Streling Exchange in India and East Africa be on " same basis. Kindly take immediate steps to save situation. " From Alladina Visram, Mombasa."

Telegram, Dt. 28-2-20.

EXPRESS,

Finance,

DELHI.

Leading Indian merchants in East Africa have wired this Chamber regarding depreciation of rupee Currency there. Will Government of India supply this Chamber full details. Question very urgent. Solicit early reply.

J. K. MEHTA,

Secretary.

No. 850 F.

Government of India.

Finance Department.

Delhi, the 13th March 1920.

From

A. V. V. AIYAR, Esq. B.A., C.I.E.,

Asst. Secretary to the Government of India.

To

The Secretary,

Indian Chamber of Commerce and Bureau,

Bombay.

Sir

In reply to your telegram of the 28th February regarding the alteration of the basis of currency in East Africa, I am directed to inform you that an announcement on the subject

was published in the *London Times* of the 13th February. I enclose a summary of it as communicated to the Government of India by the Secretary of State. The Government of India have no further information in the matter.

I have the honour to be,
Sir,
Your most obedient servant.
A. V. V. AIYAR.
Asst. Secretary to the Government of India.

Extract from the telegram from the Secretary of State for India to the Viceroy (Finance Department), dated the 20th February 1920.

Following for your information. In view of rise in exchange value of rupee Colonial office has issued announcement altering basis of currency in East African Protectorates. Announcement lays stress on disadvantages to Protectorate of new high value of rupee *viz.* handicap on export of capital from the United Kingdom and introduction of settlements of new territories and effect on sterling intercourse with the United Kingdom. It has been decided accordingly to establish stable rate of exchange with United Kingdom at 2s. sterling per rupee. As first step British and Bank of England currency notes are being made legal tender in East Africa at 8½ rupees to the pound sterling. Ratio will be reduced hereafter first to nine and ¼ and later to ten, stability will be secured by buying and selling operations of East African Curreny Board in London. Scheme contemplates minting of new East African rupee to take place of existing currency during transitional period ; existing and new currency will be equally legal tender ; export of Indian rupees, one-rupee notes and silver will continue to be prohibited.

APPENDIX 49

The Indian Sugar Committee.

No. 351.

From

A. E. GILLIAT, ESQUIRE, I.C.S.,
Secretary to the Indian Sugar Committee.

To

The Secretary, Indian Merchants' Chamber,
BOMBAY.

Camp, the 25th February 1920.

Sir,

I have the honour to invite you to nominate a representative of your Chamber to give evidence before the Indian Sugar Committee, of the constitution of which under the Government of India, Department of Revenue and Agriculture Resolution No. 949-151, dated the 2nd October 1919, you are no doubt already aware.

2. In the event of your Chamber being willing to be represented before the Committee, I have the honour to enclose a list of questions prepared for the guidance of witnesses, and to ask that it may be made over to your representative with the request that he will forward to me at the earliest possible date, a written statement of your Chamber's views on those matters within the scope of the Committee's enquiry on which they desire to offer information and opinions.

3. I am to invite your special attention to No. 3 of the instructions to witnesses on page 2 of the list of questions, and to request that your representative will, when forwarding his written statement, state definitely whether the whole or any portions of his evidence should be treated as confidential.

4. It is hoped your representative, if any, will be able to appear before the Committee in the Secretariat Council Hall, Bombay on the 5th April 1920, at 12 noon for the purpose of giving oral evidence before the Committee.

I have the honour to be,

Sir,

Your most obedient servant,

A. GILLIAT.

Secretary.

INDIAN SUGAR COMMITTEE.

INSTRUCTIONS TO WITNESSES.

1. It is not necessary to answer all the questions in the accompanying list.

They have been framed so as to cover as far as practicable the whole scope of the enquiry to be made by the Indian Sugar Committee. All that the Committee desires is that each witness should express his views as fully as possible on those matters, however few, on which he feels himself competent as a result of practical experience or special knowledge to advise.

2. The questions are intended merely as a guide to show witnesses the matters on which the Committee desires to obtain information and opinions. The Committee would prefer that witnesses should express their views as freely as possible in their own way in a connected statement for each subject (*e.g.*, cultivation, irrigation, co-operation, factory organisation or tariffs) with which they elect to deal and not in the stereotyped form of question and answer.

3. Should witnesses desire to have any part of their evidence treated as confidential it is requested that they will indicate clearly the passages they wish to have so treated.

4. Every effort will be made to arrange for the oral examination of each witness who tenders a written opinion, and as this examination will be mainly on points arising out of his written evidence, it is necessary to have this evidence printed up in advance for the use of the members of the Committee. The Committee will therefore be grateful if witnesses will return their written evidence as soon as possible to the Secretary, Indian Sugar Committee, Camp. Each witness will be given an opportunity of revising the proof of his oral evidence and of indicating to what extent, if any, he wishes to have it treated as confidential.

A. F. GILLIAT,
Secretary.

The 9th September 1919.

QUESTIONS.

I.—AGRICULTURE.

(a) General Agricultural Practice.

1. In what district have you been stationed and for what period? Have you been in actual touch with cane cultivators?

2. Has cane been long grown in your district or is it a recent introduction?

3. In your tract what proportion does the area under cane bear to that under other crops with similar water requirements?

4. Do you consider that the greater capital outlay required for cane acts as a serious impediment to its cultivation in your locality?

5. What is the average size of holdings on which cane is grown?

6. What is the importance of the crop in your district in comparison with other crops; and what are the average yields and profits per acre under cane?

7. How does the return to the cultivator from cane compare with that from other crops in the district?

8. Have any other crops already taken or are they now taking or are they likely to take the place of sugarcane? If so, why?

9. Does the area under cane fluctuate at all largely in the district; and if so, what reasons do you advance to explain this?

10. Is there any possibility of an increase under sugarcane in your district if the crop is made more profitable to the cultivators?

11. What is the class of canes grown in your locality, thick or thin? If both, what is their relative proportion? Is it possible to introduce or extend the cultivation of thick canes by adopting better methods of cultivation and manuring?

12. What are the varieties of cane grown in the district with which you are acquainted? Which of them are liked best and why? Are these varieties grown pure or mixed and why?

13. Can you say how long the varieties of cane mentioned in your reply to question 12 have been under cultivation in your locality? Have any changes taken place during recent years?

14. Have you heard any reports about their deterioration in recent years? If so, in what direction has this deterioration taken place?

15. What are, in your opinion, the points of a good cane? In what respects do your local varieties fall below this standard?

16 Do you plant whole canes or tops only? Have you any remarks to make on the relative advantages of these methods? What number of sets do you plant per acre? Is any selection practised with a view to planting disease-free sets?

17. Does the practice exist in your district of obtaining your seed periodically from some other locality? If so, how often do you obtain fresh seed and what are the advantages claimed for this practice?

18. How do you plant canes in your district? In trenches or behind the plough or do you use any other method? What method do you consider preferable and for what reasons?

19. Do you consider that, with the present class of cane grown by the ryot, his method of planting can be improved upon?

20. Do you generally grow cane by itself or with another crop? If so, with what crop? What are the advantages of growing it with another crop?

21. Is ratooning practised in your district? In your opinion what are the advantages or disadvantages of this practice?

22. What after-cultivation is practised during the growing period of the crop?

23. What is the length of time your canes are on the land before harvesting?

Do you prefer a longer or shorter duration variety? If so, why?

24. What rotation is practised on cane lands?

(*b*) *Manuring.*

25. What manures are used for cane in your district and what amounts are applied per acre ?

26. Has there been any change in the kind of manures used and the methods of manuring ? Is there any demand for concentrated manures ? If so, is the local supply sufficient ? If not, how in your opinion can this deficiency be met ?

27. Are artificial manures used at all ? If they are not, why not, and what in your opinion can be done to help the cultivators to procure artificials to supplement local manures ?

28. Do you consider that the class of cane grown in your district is such that it will not pay to manure it highly ?

29. What in your opinion is the effect of (1) heavy dressings, (2) top dressings with artificials on early ripening and late ripening canes respectively ?

30. Is any use made of cane trash as manure in your district ?

31. Is any green manuring of cane lands practised ; and what has been your experience with this class of manuring with regard to cane ?

(*c*) *Pests and diseases.*

32. What are the chief pests and diseases affecting canes in your district ? Do they do much damage and what remedies have you found useful against them ?

33. Do you consider that such pests and diseases are a barrier to the introduction of better class canes under ordinary cultivator's conditions ?

II.—IRRIGATION.

34. Is sugarcane in your district irrigated or not? If irrigated, is it from wells, tanks, canals or river channels? Is there any likelihood of increase of water supply from these sources in the near future in your tract?

35. What are the periods during which irrigation is available and during which it is required? Is there any restriction of area under cane because of defficulty of getting water at the right time?

36. What is the number of irrigations given in your district and what is the volume of water required per acre at each watering? If the supply of irrigation water is insufficient what steps are usually taken by cultivators to bridge over difficult periods?

37. Where water is supplied from Government Irrigation Works, do you consider the existing water rate charged for cane suitable?

38. Do you consider that any special action is required to facilitate the purchase and setting up of power pumping plants for irrigating cane in your district?

39. Have the cultivators in your district tried any co-operative purchase of such plants? and if so with what result?

40. Is it your experience that where abundant water for irrigation is available, cultivators prefer another crop to cane?

41. Has excessive irrigation rendered any land under sugarcane in your district saline or un-cultivable?

III.—MANUFACTURE.

(*a*) *Local manufacture.*

42. Does your district feel any shortage of cattle power for crushing canes? What chances are there of the introduction of power-driven cane-crushing mills in your district?

43. Are labour conditions in your district such that a sufficient supply is available for cane to be dealt with when ready ? If not, do you consider this shortage to be a limiting factor with regard to the area under cane in your district ?

44. What class of mills is used by caltivators for crushing canes in your district ? Is it efficient and what are the arrangements under which the cultivator ordinarily obtains it ? Have you any suggestions to make as regards the supply of improved mills and pans ?

45. Is *gur* (jaggery) or sugar manufactured in your district ? If the former, is it suitable for consumption as such or for refining ? What was the average price per maund of *gur* (jaggery) for the last ten years ; and how does this rate compare with the average rate for sugar in your locality during the corresponding period ?

46. Is *gur* (jaggery) or sugar made in your district from other sources than cane, *e.g.*, date palms, palmyra palms, beet, etc. ? If so, what is the extent and importance of the industry ?

47. Is all the *gur* (jaggery) produced consumed locally or is it sold for refining or exported for consumption as such and, if so, where ?

48. What is your opinion of the local methods of making *gur* (jaggery) ? Are trash and megass found sufficient in your district for boiling *gur* (jaggery) or have they to be supplemented by other fuel ? What improvement would you suggest as practicable ?

49. Do the cultivators in your district sell their canes ? If so, at what rate and to whom—a sugar factory, a *gur* manufacturer or direct for chewing ?

50. When they sell their cane, is it because it pays them better to dispose of it in this form or because they have no means of crushing it themselves ?

51. Do you consider that with the use of more efficient mills for crushing cane and other improvements in the manufacture of *gur* (jaggery) the result will be to glut the *gur* (jaggery) market ? Is that market expanding or contracting ?

52. Have you any experience of a power-driven factory manufacturing good *gur* (jaggery) ? Do you consider such factories desirable in the interests of the cane cultivators as well as the consumers ?

53. Do you consider that a small power plant for crushing cane and manufacturing *gur* (jaggery) can be efficiently run by ryots combining together ; or do you think that such plant can be best run by small capitalists ?

54. Do you consider that in areas of small sugarcane cultivation, it will be possible to establish small factories for the manufacture of raw sugar which might later be worked up into refined sugar at a central factory ?

55. What methods of manufacturing sugar are in use in your district ? Have they merely been revived on account of the high level of prices reached during the war; or were they working successfully in pre-war conditions.

(*b*) *Central factories.*

56. Do you consider, that in the event of a central factory being established in your district, the indigenous methods of manufacturing sugar would continue ? If not, would their decrease be due to deficiency of cane or inefficiency of manufacturing ?

57. Do you consider that sufficient area under cane each year could be put down in your district to maintain a central factory crushing, say, 500 tons a day ?

58. Provided such a factory were put up, would the cultivators agree to grow the cane required at a fair market rate and to supply it in the quantities and at the time required by the factory management; and would they be willing to enter into a definite agreement for a period of years to this effect ?

59. Do you favour payment by weight or by sucrose content; and which do you consider would be most likely to satisfy the growers ?

60. In case of payment by weight what scientific or other checks could with advantage be provided to secure to the cane growers the full market value of the canes delivered ?

61. Do you consider the Indian sugar industry is handicapped more by low yields of poor quality cane per acre than by inefficient methods of manufacture ?

62. What criticisms have you to offer on the present methods of manufacturing white sugar in India ; and where do you consider these methods are capable of improvement ?

63. Do you consider that the absence of expert knowledge has militated against production on an efficient and cheap basis ?

64. What do you consider the essentials for the successful establishment of a Central Factory ? More specially what are your views with regard to the following matters :—

(*a*) the area of land which should be under the immediate control of the Factory, and whether such land should be purchased or leased by the Factory ?

(*b*) to what extent it is necessary and possible to adopt a scheme of advances to independent cultivators in order to ensure an adequate supply of cane?

(*c*) the provision of an adequate labour supply?

65. (*a*) Do you consider that any of these essentials are unattainable without Government assistance, and if so, what form do you consider such assistance should take?

(*b*) Is the Government assistance required with regard to the improvement of roads and other means of communication and the provision of facilities, such as extra sidings, etc., required for quick and efficient railway transport?

66. Do you consider the question of white sugar manufacture to be one in regard to which the advice and assistance of specialists is required on a largescale? If so, by what agency should such a staff be maintained?

67. In particular do you consider that chemical control in factories is a question which should be dealt with by private enterprise or by Government Exports?

68. What use is at present made of molasses in your district? What are the possibilities of extending the industrial uses of molasses and other by-products of sugar manufacture?

IV.—Tariff and Excise.

69. Do you consider that the present import duty of 10 per cent. on imported sugar has contributed in any way to enable the Indian sugar factories to compete with foreign sugar in the country? Do you consider such a duty essential in the interests of the Indian sugar industry; and what are your views with regard to the suitability of the present rates?

70. Do you advocate any form of differentiation in the rates of such a duty, and if so, to what extent, and on what lines ?

71. What are the sources of manufacturing spirit in your district, *e.g.*, from molasses, *mahua*, etc. ? Have the present excise regulations in any way retarded the establishment of refineries in this country ? Have you any criticisms to offer on the present methods of giving such contracts and the conditions binding such contracts ?

V.—MISCELLANEOUS MATTERS.

72. Do you consider that the sugarcane forecast as at present published is sufficiently accurate so far as your province is concerned ? If not, can you suggest any way in which it could be improved ?

73. Can you suggest any methods by which statistical and other information regarding sugar can be made more readily available in India, and what special organization, if any is required for the purpose ?

74. Have you any suggestions to offer as to the best way in which closer co-operation between the Agricultural Department and the Indian sugar industry can be secured ?

75. Are there any other points on which you would like to express an opinion ?

No. T 891.

31st March 1920.

To,

The Secretary,

The Indian Sugar Committee,

BOMBAY.

Dear Sir,

I beg to confirm hereby the telegram I sent to you to Baramati :—

"Dulcado Baramati. Hon'ble Mr. Lallubhai Samaldas will represent Indian Merchants' Chamber for oral evidence to Bombay. He will forward his written evidence on behalf of the Chamber. Mehta, Secretary, Indian Merchants' Chamber."

The Hon'ble Mr. Lallubhai Samaldas will represent this Chamber for purposes both of written and oral evidence.

Yours faithfully,

J. K. MEHTA.

Secretary.

The following is the Memorandum submitted by the Hon. Mr. Lalubhai Samaldas, C. I. E. on behalf of the Bombay Central Co-operative Bank and the Indian Merchants' Chamber and Bureau, to the Indian Sugar Committee :—

My knowledge of the sugar cane industry is confined to its commercial side in the Bhimthadi Taluka of the Poona District and Kopergaon Taluka of the Ahmednagar District. I have studied the question to a certain extent on the Agricultural side for the Belapur Co. whose operations are carried on in the Nevasa and Rahuri Taluka of the Ahmednagar District. The Bombay Central Co-operative Bank have asked me to put before this Committee their views on the situation in Bhimthadi and Kopergaon Talukas. I have been also asked by the Indian Merchants' Chamber and Bureau to represent their views and I have to give certain information and also to state my personal views as regards the policy which Government should adopt to help this industry. I shall try my best to make it clear when I am representing the

views of my colleagues on the Central Co-operative Bank or of the Indian Merchants' Chamber and Bureau, and when I am expressing my own views.

Soon after the starting of the Central Co-operative Bank, they transferred to themselves, at the express desire of Government the Takavi debts owing to Government by the sugar cane growers on the Nira canal. The Bank agreed to do all the work that was done till then by a special Takavi officer, Mr. Sahasrabudhe, on behalf of Government. I would recommend to the Committee to read the admirable report of Mr. Brander which led to the institution of a special Takavi system for Valley and also Mr. Sahasrebudhe's report on the same subject after his experience of a few years' working of this system. At the end of 1918 Mr. Patwardhan—special Mamlatdar—was asked to make enquiries about the cost of cultivation and the return from the sugar cane crop to enable Government to see what effect waterlogging and salt efflorescence had on the sugar cane cultivation in this area. This report confirms the views of the Directors of the Bank, based on the growing irregularity of repayments of loans and consequently of increasing arears, that the margin of profit to the cultivators had gone down during the last ten years. Various causes have been suggested for this state of things by persons who have examined this subject. Their opinions differ according to the point of view from which they observe the facts. As usually happens in such complicated problems where a large number of causes combine to bring about certain results, every person lays stress on what he considers to be the main and ignores the others with the natural result that the patient goes on suffering while the doctors are wrangling over the causes of the disease. The following remedial measures have been or are being adopted :—

(1) Drainage to remove water-logging and salt efflorescence.

(2) Establishment of a demonstration farm for the purpose of demonstrating improved methods of growing sugar-cane.

(3) Restricting the loan to persons who can use their own sets and farm yard manures.

How far these will succeed time alone can show.

It is an acknowledged fact that there has been water logging and consequent deterioration of the soil. If there were a reliable meter, its use would help to remedy this evil in the future. But in the absence of such a meter it is necessary to show by demonstration that a smaller amount of water given at regular intervals will give better crops and will not lead to water-logging. This work Government have agreed to do as stated above. Even when the cultivators see the advantages of the improved methods of irrigation, they will not adopt the same unless they are assured of a *regular* supply of water at stated intervals. It is alleged, on their behalf, that they use more water than is good for the crop not through sheer ignorance but because they are not sure that they will get a regular supply of water when they want it. Such an assurance the Irrigation Department ought to be in a position to give.

The water rate has increased by 100 p. c. under the block system from 1905 to now, the last increase being of Rs. 12 per annum. Outside the block system the rate has been increased from 20 to 45 per annum in the same period. The Directors of the Bank are strongly of opinion that these rates should at least be reduced to Rs. 45 and 35 respectively, till the water-logging and lost efflorescence have been removed. Their

proposal has received the support of the Registrar of Co-operative Societies, the Director of Agriculture and the Settlement Committee and the Director of Land Records, while it has been contended by the Irrigation Department that the increase in the rate is not likely to affect *good cultivators*, and that the *bad cultivators'* interests should not be taken into account. This contention has been supported by the Commissioner of Central Division. The Directors of the Bank want this Committee carefully to sift the evidence and recommend the postponment of the levy of the last increase, if they are satisfied that such postponment is necessary in the interests of the Sugar cane industry.

The cane in this area is converted into Gul. Improved bullock-worked crushers (Chattanooga) are being used by some of the cultivators. Facilities have been granted by the Bank for the purchase of these. A three roller crusher (Chattanooga) worked by oil engine was introduced as an experimental measure and as the agriculturists were satisfied with its working two such crushers have been purchased by individual members of the Pandhara and Malegaon Society, and are loaned out by them to other cultivators.

*The satisfactory working of these power-driven crushers and the starting of a Sugar Factory at Belapur in the Ahmednagar District led the Raja Saheb of Malegaon to approach me with a proposal to put up a Sugar Factory in this area. The conditions at Baramati differ from those at Belapur in so far that while at the latter place, the lands belong to the Company, at the former place the factory will have to depend upon the existing sugar cane growers for the supply of cane.

The most important problem before the proposed factory is to find out a method by which the cane-growers may be made to bring their cane regularly to the factory. After a

* What follows hereafter represent my views.

great deal of discussion with their representatives it has been decided to have an agreement with the cane-growers for the purchases of their cane on the rates of the market price of Gul. This is a basis that they understand and they themselves have worked out the proportion of Gul to cane as 9½ to 1. My expert approves of this. The cane-growers will also accept the Brix percentage of 18 as the maximum, the price to vary according to the percentage of cane brought every day to the factory. It is proposed to get them to take shares in the proposed Company, so that they may feel interested in the success of the factory, and also to give a bonus to them in proportion to the cane brought by them to the factory. My colleagues on the Provisional Board of the proposed Company and myself realize that we are taking some risk in depending upon the good-will and cooperation of the cane-growers. We are however prepared to face the difficulties, as we feel that if we work in the right spirit, we will be able to devise a system which will prove beneficial both to the cane-growers and to the Company.

The site of the Factory I intend to put up near Baramati is 3 miles from Baramati Railway Station. The Dhond Baramati Railway Co., are willing to extend their line up to Pandara a distance of about 8 miles. This extension involves a costly bridge over Karha river near Baramati Town. This bridge can also be used for cart traffic on the Indapur-Nira Provincial Road. A proposal has been sent to the Government for a combined bridge. As the Factory is to be ready for work by the end of 1921, I hope Government will sanction the bridge soon. In addition to this extension of the D. B. Rly., the factory will have about 10 miles of Tramway line of 2'-6" gauge. For this line I would like the Government to grant land free and other facilities. Similar

concessions will be required for other sugar factory projects and Government should grant such concessions in a liberal spirit.

As the sugar cane area in the Nira Valley is about 7,000 acres and as the proposed sugar factory will crush cane of 2,000 acres, I think of putting up at least 2 power-driven crushers with a capacity of crushing 8 tons per hour and convert the cane from the adjacent areas into Gul by improved method. I have drawn up a rough scheme for the purpose and if I find that the canegrowers are agreeable to cooperate with me I shall put up these crushers in two central places, to serve a cane area of about 750 acres.

My colleagues of the late Belapur Syndicate had at first selected 6,000 acres in the Kopargaon Taluka not under the command of the canal for growing sugar-cane. It was proposed to irrigate the lands with water raised by pumps. Government were prepared to reduce the irrigation rate for water to be so raised. The Belapur Syndicate gave up this scheme for certain reasons and took up the present scheme. In view of the work of acquiring land at Belapur having been successfully put through, I am thinking of taking up the old Kopergaon scheme and have very recently applied to the Collector of Ahmednagar for the acquisition of land.

I believe Mr. Harrison has given this Committee full information about the Belapur Co., and I have nothing more to say on the subject.

BOMBAY, 27th March, 1920.

As a result of the study of these proposals, I am of opinion that a central-estate factory system is the best suited to our requirements, and that where large area of about 6,000 acres of Government Land suitable for sugar cane is not available,

Government should apply the Land Acquisition Act and acquire such lands and give them or lease them to the Sugar Manufacturing Companies. The agriculturists who will thus be dispossessed will to a certain extent resent this compulsory acquisition. To remove this resentment an attempt must be made to provide them with other lands wherever vacant culturable land is available. The agriculturists should also be given an opportunity of subscribing shares of the Company for whom the lands are being acquired. If the lands are not acquired for the companies (but leased out to them) the lease should be of 50 years' duration and the amount of the lease should be equal to 5 per cent. on the amount paid to the cultivators plus the existing amount of assessment. Where the land is not under the flow of the canal the water rate should be reduced to an extent that would enable the company to bear the pumping charges. Under this system the water used will be much less than where the land is under command of the Canal. Consequently there will be fewer changes of water-logging and salt efflorescence and as a result there will be practically no deterioration of the land. All these factors must be taken into consideration at the time of reducing the water-rate. It is at present proposed to manufacture molascuite from molasses and so long as there is a sufficient demand for this class of fodder, it will not be necessary for us to approach Government with a request to allow us to manufacture rum out of molasses. When the supply of molascuite is larger than the demand, full liberty should be given to the manufacturer to make the best use of the bye-products. The existing excise regulations have put a restriction on the best use of the bye-products of a sugar-factory and if they are removed it will give a large scope to start more sugar refineries. Such big sugar factories as at Belapur and Baramati will naturally employ their own

experts for working the factories, but Government should have an expert to advise new schemes in the preliminary stages.

The Committee of the Indian Merchants' Chamber are generally in agreement with the views expressed above.

So long as the cost of production of cane-tonnage in other countries is less than 1/3 of the cost in this country, it will be possible for the former to manufacture sugar from the cane and sell it in this country at a lower rate than the total cost of manufacturing indigenous sugar here. If India is to be self-contained as regards sugar, it will be necessary to foster the growth of the sugar industry here with the help of some sort of protection even though it will mean a temporary hardship to the sugar consumer, on the general tax-payer according as the protection takes the form of import duty or subsidy. I use the word temporary because I believe that if all requisite assistance is given by Government to this Industry, in a few years' time it will grow strong enough to face outside competition. Whether this temporary hardship is justifiable or not depends upon the point of view from which one looks at the whole question. The last great war has shattered many old ideas and beliefs, and as a result many ardent free-traders are now convinced of the necessity of making their own countries as much selfdependent as possible. They will be prepared to pay for the attainment of this goal by taxing themselves in one form or other. One has to mention 'dyes' and 'medicines' to show the necessity of making one's country as much independent of imported articles as possible. Let me not be misunderstood as desiring stoppage of all trade and commerce with foreign countries. No sensible person is likely to talk of this as a practical proposition. What we all want is that it is the duty of Government to render every

assistance to the sugar industry so that it may be able to supply the growing needs of its countrymen. It is a national duty and must be performed in national interests only. The present 10 °/° duty on imported sugar has been put on only recently and that too in extraordinary circumstances. Therefore at present I am not in a position to say how far it has helped the Indian sugar industry. The Chamber is of opinion that a considerable higher import duty on sugar is necessary till such time as the industry has established itself in the country. The Chamber would also urge a differential import duty in the case of raw sugar. Such sugar ought to be allowed to come in at lower rate in order to encourage the refining industry within the country. It is worth considering whether or not the duty in case of all kinds of sugar should be specified.

APPENDIX 50

Reduction of Telegraphic Charges between India and Aden and other Arabian Seaports.

No. 52.

Bombay, 6th April 1920.

To,

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

With reference to the reduction now announced in oversea telegraphic charges from Rs. 1-8-0 to Rs. 1, per word for cables between India and the United Kingdom, we beg to state

that the authorities appeared to have omitted by some oversight to reduce charges for telegrams between Bombay and Aden. A great portion of the commerce of Bombay is with Aden and Arabian Sea-ports and it is essential in the interests of trade to also reduce the burden of telegraphic charges, so far as Aden and the Arabian seaports are concerned, and we submit that in view of the comparative distance of the United Kingdom and Aden from India a reduction to at least 8 annas per word should be made by the authorities.

Under these circumstances, you will agree with us that the time has arrived when Government should bring about a reduction of telegraphic charges between India and Aden and Arabian Seaports to 8 annas per word for urgent telegrams, and we hope that you will be good enough to make urgent representations in the interests of trade, to the proper authorities to bring about the much to be desired reduction.

Yours faithfully,

COWASJI DINSHAW & BROS.

No. T 1011.

6th May 1920,

From

The Secretary,
The Indian Merchants' Chamber and Bureau;
BOMBAY.

To

The Director-General of Posts and Telegraphs,
CALCUTTA.

Sir,

With reference to the reduction recently announced in Oversea Telegraphic Charges from Rs. 1-8 to Re. 1 per word between India and the United Kingdom, the attention of my

Committee has been drawn to the proportionately higher rates still charged for telegrams between Bombay and Aden, which appears to have been excluded from the general scheme of reduction.

In view of the fact that there exist very large and extensive trade relations between Bombay and Aden and the Arabian Sea-Ports my Committee think that it would be desirable in the best interests of trade that the burden of telegraphic charges so far as Aden and the Arabian sea-ports are concerned, should also be proportionately reduced.

I beg to remain,

Sir,

Your most obedient servant

S. M. MUZUMDAR,

for Secretary.

Posts and Telegraphs.

From

The Director-General of Posts and Telegraphs,

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

No. 1172 H.

Dated Calcutta, the 1st June 1920.

Sir,

In continuation of this office letter No. 1643-H, dated the 12th May 1920, I am directed to inform you that the reduction in rates for telegrams to countries other than Europe will take

effect from the 7th June 1920 when the rate for telegrams between India and Aden will be reduced from one rupee per word to thirteen annas per word. A copy of the Notice on the subject is enclosed for your information.

I have the honour to be,

Sir,

Your most obedient servant,

ILLEGIBLE.

Assistant Director-General,
Telegraph Traffic.

NOTICE.

Rates for Foreign Telegrams.

With effect from the 7th June 1920 the rates per word for private telegrams to the undermentioned countries from India or Burma will be as follows :—

	R.	*a.*
Aden, Perim *via* Bombay	0	13
Amoy, Foochow, Shanghai *via* Madras	1	2
Australia *via* Madras	1	8
British Central Africa—		
Nyassaland *via* Bombay—Aden	1	10
Northern Rhodesia *via* Bombay—Aden ...	1	10
Southern Rhodesia *via* Bombay—Aden ...	1	8
Europe—		
All countries except Germany and German Austria *via* Eastern	1	0
Germany and German Austria *via* London ...	1	4

	R.	a.
Hedjaz (Arabia)—		
Medina *via* Aden—Souakim	2	5
Djedda and Mecca *via* Aden—Souakim ...	1	14
Hongkong *via* Madras	0	15
Japan *via* Madras	1	11
Madagascar *viâ* Bombay—Aden	1	15
Malacca *via* Madras	0	13
Mauritius *via* Bombay—Aden	1	6
Mesopotamia *via* Fao	0	10
Mozambique *via* Bombay—Aden	1	6
New Zealand *via* Madras	1	11
Palestine *via* Eastern	1	3
Penang, Singapore *via* Madras	0	13
Persia—		
Bunder Abbas *via* Karachi	0	12
Other offices including Bushire *via* Karachi ...	0	11
Persian Gulf—		
Charber *via* Karachi	0	3
Jask, Henjam, Muscat *via* Karachi	0	6
Bahrein, Lingah *via* Karachi	0	10
Seychelles *via* Bombay—Aden	1	6
Siam *via* Moulmein (From India)	0	11
„ „ Moulmein (From Burma)	0	9
Tasmania *via* Madras	1	8

	R.	a.
United States—		
Boston, New York *via* Eastern—N. A. Cables.	1	10
Philadelphia, Washington *via* Ditto	1	11
Chicago *via* Eastern—N. A. Cables	1	12
Union of South Africa *via* Bombay—Aden ...	1	6
Yemen (Arabia) *via* Bombay—Aden	1	3
Zanzibar *via* Bombay—Aden	1	5

For further particulars apply to the local telegraph office.

CALCUTTA : G. R. CLARKE,

The 28th May 1920. Director-General of Posts and Telegraphs.

APPENDIX 54.

Delay in the delivery of gold by the mint authorities at Bombay.

No. T 946.

14th April 1920.

From,

J. K. MEHTA ESQR., M.A.,

Secretary, Indian Merchants' Chamber & Bureau,

BOMBAY.

To,

The Secretary,

The Government of India, Finance Department,

SIMLA.

Sir,

I am directed by the Committee to bring to your attention a letter received by them from one of the Members of this Chamber, a copy of which is enclosed herewith. My

Committee beg to request you to be good enough to let them know what are the facts of the case and if steps have been taken to remove the difficulties complained of.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

Bombay, 16th March 1920.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

19, Bank Street-Fort.

BOMBAY.

Dear Sir,

We beg to bring to your notice the great inconvenience and hardship as well as loss of time and money to which the trading public is put to, by the serious and scandalous delay which is taking place in delivering the gold by the mint authorities in connection with the sale of Gold by Government.

We may point out that this delay is not a case of exceptional circumstances such as pressure of work or otherwise but is of a permanent character.

As a concrete example, we beg to point out the case of the 12th Sale of Gold. The acceptance of the tenders of this sale was notified in the press on the 8th instant. Intimation of the acceptances of the sale were despatched to the tenderers on the 10th instant. Payments for about half the tenders were

made to the Bank of Bombay on the 11th instant and the rest of the tenders were paid in within the next two dates. The Bank of Bombay have issued Receipt Delivery Orders on the Mint Authorities to deliver gold in respect of such receipts.

The Mint has been delivering gold by rotation according to the number of receipts which are presented at the Mint and tokens obtained for them.

Now this part of the delivery takes a very long time and therefore the trading public has to suffer serious losses, owing to the heavy fluctuation in the market rates and to the capital which has to be uselessly locked up for the gold for a number of days. We also understand that uptill now only about half the gold is delivered out of the 12th Sale, while the 13th sale is taking place tomorrow.

We may also mention that by this delay in delivering the gold, the actual objects and contemplations of the Government policy of these sales are defeated. The reason is, that the market does not get its supplies in proper and stipulated time. The upward tendency of the market, due to the above causes, encourages speculation and holding back of stocks and thus create unhealthy and artificial conditions which are very injurious to the interests of the country at large.

In the circumstances we request you to be good enough to place the matter before your committee or the sub-committee of Gold, Silver and Diamond Merchants to represent the matter to proper authorities and to take such other necessary steps to redress the difficulty.

We are, Dear Sir,
Yours faithfully,
K. J. A. REMTULLA MULJI & Co.
A. M. R. MEEKLAI.
Managing Partner.

No. 1357 F.

Government of India.

Finance Department..

Simla, the 3rd May 1920.

From

A. V. V. Aiyar, Esq., B. A., C. I. E.,

Asstt. Secretary to the Government of India,

To

The Secretary,

Indian Merchants' Chamber and Bureau, Bombay.

Sir,

I am directed to acknowledge the receipt of your letter No. T. 946, dated the 14th April 1920 with which you forward a letter from one of the members of your Chamber complaining about the delay in the delivery of gold.

2. In reply, I am to say that the amount of gold offered at each sale is determined with reference to the capacity of the Mints to make delivery, and the quantity now offered *viz.* 1/4 million tolas was estimated as the quantity which the Mints could arrange to deliver in a fortnight. It follows that if it is desired that all gold sold should be delivered within two or three days, the quantity offered at each sale will necessarily have to be cut down.

3. I am to add that the matter is being enquired into and that any steps for quickening up deliveries which may be feasible will be taken.

I have the honour to be,

Sir,

Your most obedient servant,

A. V. V. AIYAR.

Asstt. Secretary to the Government of India.

APPENDIX 52

Colonization in German East Africa.

No. T 1015.

6th May 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Chief Secretary to the Government of Bombay,

BOMBAY.

Sir,

The attention of the Committee has been drawn to the matter published on page 16 of the Indian trade Journal of the 2nd April 1920 on the question of Indian Colonisation in German East Africa. It appears from what has been published there, that the Upper Indian Chamber of Commerce was consulted on the subject by the Local Government there and that its advice was sought on three specific points.

As my Committee has always taken considerable interest in the general question of Colonisation, they would like to know whether the Government of Bombay were similarly consulted and if so whether the opinions of the different Chambers of Commerce were also invited.

My Committee will be obliged if the Government of Bombay will be so good as to furnish them with all the details relating to the three specific points referred to above.

I beg to remain,

Sir,

Your most Obedient Servant,

S. M. MUZUMDAR.

for Secretary.

No. 6313.

General Department.

Bombay Castle, 10th June 1920.

From

J. C. Ker, Esquire, I. C. S.,

Acting Secretary to Government

To

The Secretary,

The Indian Merchants' Chamber and Bureau.

Sir,

I am directed to refer to your letter of the 6th May 1920 addressed to the Chief Secretary to Government requesting that your Committee may be furnished with information on the question of Indian Colonisation in the territory formerly called German East Africa.

2. In reply I am to say that in order to facilitate such colonisation it is proposed to organise a scheme for the settlement of Indian agriculturists on land specially allotted to them in that territory. Government have the following questions under consideration in connection with this proposal :—

(1) Whether, from the point of view of India, it is desirable and practicable to attempt an organised scheme of settlement ;

(2) How far a suitable type of agriculturists, ex-service men or others would be attracted by the prospects of free settlement in the territory, so far as can be judged in the light of the information at present available as to its physical characteristics and potentialities ;

(3) Whether Government should encourage such colonisation, and how far they should give financial assistance.

I am to request that, if your Committee desire to express any opinion on these questions, their views may be forwarded to Government at an early date.

I have the honour to be,

Sir,

Your most obedient servant,

J. KER.

Acting Secretary to Government.

No. T 1343.

28th July 1920.

From

J. K. MEHTA, ESQUIRE, M.A.,

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

J. C. KER, ESQUIRE, I.C.S.,

Acting Secretary to the Government of Bombay,

General Department,

BOMBAY.

Sir,

With reference to your letter of the 10th June 1920, No. 6313, my Committee will be obliged if you will kindly give them information on the following points before they send replies to the three questions detailed in your said letter.

(*a*) Where it is proposed to locate Indians, in swampy land or up-land? My Committee are naturally anxious with regard to this aspect of the question, as, so far as their information goes, German East Africa is to be devided into two portions, one of which will consist of uplands and the other will consist of low lands. Great care is to be taken that Indians are not segregated on low land only.

(*b*) Is there going to be any differential treatment with regard to location of Indians and Europeans? It is the sad experience of my Committee already, and they brought it to the notice of the Government more than once, that attempts have been systematically made to oust Indians from up-lands in British East Africa, and they are naturally anxious that the same invidious policy may not be followed with regard to German East Africa also.

(*c*) My Committee will be greatly obliged if details are supplied to them regarding the exact territory, situation, and the locality where Indians are proposed to be settled, its climatic conditions, the present state of its cultivation and the extent of franchise allowed to them as compared with others.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No. 8608

General Department.

Bombay Castle, 12th August 1920.

From

J. C. Ker, Esquire I. C. S.,

Secretary to Government ;

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

Sir,

With reference to your letter No. T-1345, dated the 28th July 1920, on the subject of Indian colonisation in German East Africa, I am directed to say that the present proposal is to set apart some area or areas sparsely inhabited by natives but suitable for colonisation, as a reserve where Indians could practise their traditional methods of agriculture under a system of small holdings. Indian agriculturists of good type would be welcome in East Africa in the parts where the climate is sub-tropical. Nothing is yet definitely known about the geographical conditions of the territory. An expert examination of the country will no doubt be made before a final decision is arrived at.

2. In regard to the question of the treatment of Indians and the question of franchise I am to say that the Government of Bombay understand that terms of the African Mandate will contain clauses securing to all subjects and citizens of all states which belong to the League of Nations, of which India is an original member, the same rights as are enjoyed by the

nationals of the Mandatory in respect of entrance, residence, protection, the holding of property, and exercise of professions or trades, and complete economic, commercial and industrial equality. The terms of the Mandate will also include a provision that throughout the whole territory Indians shall be treated on a footing of exact equality with Europeans in respect of their political, social and economic status.

3. I am to request that the views of your Committee on the three questions contained in my letter No. 6313, dated the 10th June 1920, may now be forwarded to Government at a very early date.

I have the honour to be,

Sir,

Your most obedient servant,

J. C. KER.

Secretary to Government.

Views of Mr. Andrews with regard to East Africa.

There was a definite attempt made from 1908 to 1911 to colonise land in British East Africa. Indians, mostly Punjabees, have been successful in cultivating these lands which were mostly sub-tropical. Very few Indians like to be segregated entirely from India. Whether, therefore, this attempt at colonising in British East Africa will be finally successful is doubtful, though men who have gone there have done fairly well. The same is the case in Fiji. The present racial bitterness does not much affect them, though they complain that they are not getting as much new land as they want through the racial spirit of opposition.

With regard to German East Africa the experiment is worth trying at least for the Punjabees. I should recommend ex-service men to start. They should be financially assisted by the Government. It would be, in fact, a good proposition for the Government to offer to their ex-service men financial assistance to go out and settle in German East Africa and see how they get on. Lands there can be thrown open for other Punjabees also, but only ex-service men should be preferred first. This would settle a real grievance that is felt by all Indians in British East Africa, namely, that English soldiers were given land and financial assistance, but that Indian soldiers who fought side by side with them were kept out. We trust that there will be no exclusion from uplands of Indians who like to pay for property there.

With regard to the present situation in British East Africa the Committee should protest against (1) limitation of Franchise to two Indian seats out of 20 seats (2) refusal of land purchase in the up-lands, and (3) segregation of race.

No. T 3.

From, 4th October 1920.

J. K. MEHTA ESQR., M.A.,
Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

To,

J. C. KER ESQR., I.C.S.,
Secretary to the Government of Bombay, General Dept.,
BOMBAY.

Sir,

With reference to your letter of the 10th June 1920 No. 6313 and your correspondence ending with your letter dated 14th September 1920 No. 9689 I am directed to send hereby views of my committee :—

(1) It is desirable in the opinion of my committee and practicable to have no organised scheme of settlement of Indians in the territory formerly called 'German East Africa'.

(2) The experiment is worth a trial for the Punjabees and people of Kathiawad and Cutch who have shown already and aptitude for colonization.

My Committee would recommend ex-service men to start with. They should be financially assisted by the Government. It would be in fact a good proposition for the Government to offer to their ex-service men financial aid to go out and settle in Germen East Africa and see how they get on. These should be thrown open for other Indians also. But preference may be given to ex-service men. This will settle a real grievance that is felt by all Indians in British East Africa *viz.*:—that Indian Soldiers who fought by side with them were kept out.

My Committee trust that there will be no exclusion from uplands of Indians who would like to pay for property there.

My Committee beg to emphasise most strongly there should be no difference in treatment meted out to settlers whether Indians or Europeans. For otherwise the whole experiment will be a failure.

My Committee are assured in your letter of the 12th August 1919 No. 6808 that the terms of the Mandate will also contain a provision that

throughout the whole territory Indians shall be treated on a footing of exact equality with Europeans in respect of their political, social and economic status. It rests with the Government of India to see that this Mandate is observed both in letter and spirit.

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

APPENDIX No. 53.

Repeal of the amendment of Section 91-B of the Indian Companies Act.

No. G-48 of 1920.

Revenue Department.

Bombay Castle, 14th April 1920.

From

H. F. KNIGHT, ESQUIRE, I.C.S.,

Under Secretary to the Government of Bombay ;

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject—Proposed repeal or amendment of Section 91-B of the Indian Companies Act VII of 1913.

Sir,

I am directed to forward a copy of Government Order No. 1088 dated 1st April 1920 and to request that Government may be favoured at an early date with the opinion of your Chamber on the subject noted above.

I have the honour to be,

Sir,

Your most obedient servant,

ILLEGIBLE.

For Under Secretary to Government.

Accompaniment:—

Copies of the Government Order.

Indian Companies Act :

Proposed amendment of section 91-B of the—

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT.

Order No. 1088.

Bombay Castle, 1st April 1920.

Letter from the Government of India, Department of Commerce and Industry, No. 1344-D. dated 16th February 1920 ;—

" I am directed to forward a copy of a letter from Messrs. Tata Sons, Limited, Agents of the Tata Iron and Steel Company, Limited, No. G. 2156/19 dated Bombay, the 23rd/26th August 1919, suggesting the repeal or amendment of section 91-B of the Indian Companies Act, 1913, or the insertion of a provision that this section shall not apply to private companies. I am to state that on consideration the Government of India are inclined to think that some amendment in the existing law is desirable. The object with which the section was originally introduced was to protect the interests of shareholders, and the Government of India do not think that a case has been made out for abandoning the principle which this section was intended to affirm. They recognise, however, that the difficulty mentioned by Messrs. Tata Sons and Company is a genuine one, and propose to meet it by inserting a provision in the Indian Companies Act to the effect that section 91-B shall not apply to private companies. Before, however, coming to a definite conclusion, the Government of India would be glad if His Excellency the Governor in Council, after consulting Chambers of Commerce and such other persons or local bodies as he may think desirable, will favour the Government of India at an early date with his views on the proposed amendment."

Letter from Messrs. Tata Sons, Limited, Agents, the Tata Iron and Steel Company, Limited, to the Secretary to the Government of India, Commerce and Industry Department, Simla No. G.—2156—19 dated Bombay, the 23rd/26th August 1919 :—

" We are directed by the Board of Directors of the Tata Iron and Steel Company, Limited, to approach the Government of India on the question of an amendment of the Indian Companies Act, 1913, by the repeal or amendment of section

91-B. of that Act introduced by the Indian Companies Act, 1914, or at any rate by the insertion of a provision in the Act that the section in question shall not apply to private companies.

" 2. The Tata Iron and Steel Company, (referred to below as ' the Tata Company ') is now engaged in the promotion and formation of several companies, mainly subsidiary, having for their objects the development of industrial enterprises.

" 3. The proposed new companies will in the main be registered as private limited companies, and as a rule the management of each Company will be composed of Directors of the Tata Company and Directors or Members of the Company or undertaking with which the Tata Company joins to promote the Subsidiary Company.

' 4. As an illustration, the Tata Company and the ' A ' Company, Limited, have completed negotiations for the formation of a company having as its primary object the manufacture of tinplates, and to be known as the ' A ' Company, Limited. Part of the Tata Company's interest in the Subsidiary Company will be the supply of material for the manufacture of tinplates while part of the ' A ' Company's interest will be the purchase of such tinplates when made. The proposed Company will be managed by a Board composed of two Directors of Tata Company and two Directors of the ' A ' Company.

"5. Certain preliminary agreements will be entered into which will require to be adopted by the proposed company, and from the moment of its formation the Directors of the proposed Company will as part of their functions be called upon to resolve upon contracts between the Company and one or both of the

promoting Companies, in which the Members of the Board must perforce be indirectly interested as Directors or members of the promoting companies.

" 6. In the common form of Articles of Association of a company an article appears, the wording of which is practically the same as the wording of Section 91-A. and 91-B. of the Indian Companies Act, 1913, but no corresponding sections appear in the Companies (Consolidation) Act, 1908, upon which the Indian Act was based and the common form article above referred to is capable of relaxation.

" 7. Objection has been taken by one or more of the parties with whom the Tata Company is negotiating for the formation of Subsidiary Companies, that the effect of section 91-B. is to render impracticable the undertaking of the Subsidiary Company inasmuch as there will never be a Board competent to transact business in which the promoting companies are interested, which will in fact constitute the business of the Subsidiary Company.

" 8. It is unnecessary for us to point out that the Directors of a company must act by resolution at a Board meeting, and that to transact business thereat there must be a proper quorum, that is to say, a quorum competent to transact and vote on the business before the Board, which an interested Director is not.

" 9. It is a general principle of law that inasmuch as a Director stands in a fiduciary relation to the Company of which he is a Director he cannot contract with the Company, but the sections of the Indian Companies Act, 1913, which embody this principle constitute an innovation upon the company law as obtaining in England inasmuch as they render it impracticable that there can be any variation of the principle by the consent of all parties concerned, whereas the law in

England enables variation to be made by provision in the Articles of Association of the Company or by rectification by the Company in General Meeting.

"10. In the objects and reasons for Bill of 1914 it was merely stated with reference to the provisions [91-A. and 91-B. then proposed to be introduced as section 91-A. (1)], that the Bill was designed to secure that interested Directors should disclose their interest in contracts to the other Directors, a thing which they were bound to do without legislation. The Bill, however, was subsequently amended and was passed into Law in its present form, and it is submitted that the result was not foreseen of the attempt to convert a rule of equity into a statutary enactment coupled with a penalty.

"11. So far as concerns the completion of preliminary agreements, which are usually expressly provided for the common form article in England, it is practicable to get round section 91-B. by providing in the company's articles that the company's seal shall be affixed thereto, and by altering seal so as to provide that *qua* such agreements the seal may be affixed without any resolution of the Board. An obvious method also exists of evading the section so far as all other contracts are concerned, by appointing and keeping upon the Board a sufficient number of Directors to form a quorum who are not interested in either of the promoting companies, but this is a method which the Tata Company has no desire to adopt seeing that it merely means maintaining two or more dead heads as Directors who will act at the dictation of the interested Directors and it is, we submit, a method to which no Company either public or private ought to be compelled to have resort.

"12. We would further submit that facility of evasion or avoidance of legislative enactments is a reason against their efficacy and a strong argument in favour of their repeal.

"13. By reason of section 91-B. the Tata Company is confronted by a very serious obstacle in the extension of its undertaking by the contemplated promotion of industrial subsidiaries, and we are directed to express the hope that the Government of India will see its way either (*a*) to repeal section 91-B. or (*b*) to amend that section so as to make provision for its relaxation either in accordance with the Articles of Association of the company, or by resolution of a general meeting of the company.

"14. The matter is one of urgency in view of the fact that negotiations between the Tata Company and one or more other parties cannot be concluded in consequence of the section, and we are therefore directed to express the hope that the Government of India will be pleased to give their very early attention to this representation, and that, in the event of Government not being prepared at the outset to accede to our request to its full extent, section 91-B. may as an alternative be amended by insertion of a provision to the effect that it shall not apply to private companies."

ORDER.—Copies of the letter from the Government of India and its accompaniment should be forwarded to Chambers of Commerce, Bombay and Karachi, the Bombay Mill-owners' Association, the Indian Merchants' Chamber and Bureau, Bombay, the Bombay Presidency Trades Association, the Bombay Underwriters' Association, and the Chairman, Associated Exchange Banks, Bombay, with a request that they will favour Government at an early date with their opinions on the proposed repeal or amendment of section 91-B of the Indian Companies Act, VII of 1913.

2. Copies of the letter and its accompaniment should also be forwarded for the same purpose to the Honourable the

Advocate General, the Remembrancer of Legal Affairs, the Solicitor to Government and the Registrar of Companies.

H. F. KNIGHT.
Under Secretary to Government.

No. T 1012.

6th May 1920.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

H. F. KNIGHT, ESQUIRE, I.C.S.,
Under Secretary to the Government of Bombay,
Revenue Department,
BOMBAY.

Sir,

I am directed by my Committee to acknowledge the receipt of your letter No. G. 48 of 1920 dated the 14th instant, and to say in reply thereto that they approve of the proposal to repeal or amend Section 91 B. of the Indian Companies Act of 1913 as suggested in the Government Order accompanying your letter under reply.

I beg to remain,
Sir,
Your most obedient servant,
S. M. MUZUMDAR.
for Secretary.

APPENDIX 54.

Proposed ad valorem duty on the nominal Capital of Companies registered under the Indian Companies Act.

No. 1198 A of 1920.

Revenue Department.

Bombay Castle, 14th April 1920.

From

H. F. KNIGHT, ESQUIRE, I.C.S.,

Under Secretary to the Government of Bombay.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Proposal to impose an additional *ad valorem* duty on the nominal capital of companies registered under the Indian Companies Act, 1913.

Sir,

I am directed to forward a copy of Government Order No. 1189 of this date and to request that Government may be favoured at an early date with the opinion of your Chamber on the subject noted above.

I have the honour to be,

Sir,

Your most obedient servant,

ILLEGIBLE.

For Under Secretary to Government.

Accompaniment.

Copies of the Government Order.

Indian Companies Act

Proposal to impose an additional *ad valorem* duty on the nominal capital of companies registered under the —.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT.

Order No. 1198.

Bombay Castle, 14th April 1920.

Letter from the Government of India, Department of Commerce, No. 2112-D. dated 10th March 1920 :

" I am directed to inform you that the question of imposing an *ad valorem* duty of ½ per cent. on the nominal capital of all companies registered under the Indian Companies Act, 1913, in addition to the stamp fees payable under the Indian Stamp Act (II of 1899) and the registration fees payable under the Indian Companies Act, VII of 1913, is at present engaging the attention of the Government of India.

" 2. There have been signs during the last two or three years that the number of bogus companies and companies with excessive nominal capital is tending to increase. In some instances the imposing figure of the nominal capital serves no other purpose than that of inducing the less informed portion of the public to believe that the strength and importance of the company are much greater than they actually are. While anxious to take no step that will discourage legitimate enterprise, and to do all in their power to foster the habit of investment, the Government of India feel that they are bound to protect the interests both of the ignorant investor and of the sound commercial flotations whose credit may be affected by the collapse of a few weaker and more unsound concerns.

They are, therefore, inclined to the opinion that the time is opportune for amending the Companies Act in such a way as to restrict the liberty which companies at present enjoy of registering vast authorised capitals which they have no prospect of ever getting subscribed.

"3. In the United Kingdom, an *ad valorem* stamp duty of 5 sh. per cent. is levied under section 7 of the Finance Act, 1899, on the nominal capital of all companies registered, in addition to the fees prescribed in table B of the first schedule to the Companies (Consolidation) Act, 1908. The Government of India consider the imposition of a similar duty in India, while bringing in a small revenue, would, to a certain extent, serve to check the flotation of bogus and unsound companies and specially those which advertise inflated nominal capital. They propose therefore that an *ad valorem* duty of ¼ per cent. should be levied on the the nominal capital of all companies with share capital registered in India in addition to the registration fees payable under table B of the first schedule to the Indian Companies Act, 1913, and the stamp fees required for the registration of the memorandum and articles of association. I am to request that, after consulting the Chambers of Commerce and such other persons or local bodies as may be considered advisable, you will favour the Government of India, at an early date, with the views of His Excellency the Governor in Council on this proposal."

ORDER.—Copies of the letter from the Government of India should be forwarded to the Chambers of Commerce, Bombay and Karachi, the Bombay Millowners' Association, the Indian Merchants' Chamber and Bureau, the Bombay Presidency Trades' Association, the Bombay Underwriters' Association, and the Chairman, Associated Exchange Banks, Bombay, with a request that they will favour Government with their opinions on the proposed imposition of the duty.

2. Copies of the letter should also be forwarded for favour of opinion to the Commissioner in Sind, the Commissioners of Divisions and the Registrar of Companies. The Commissioners should be requested to consult such selected officers, businessmen or private bodies in their Divisions as they may think fit.

3. The officers and the private bodies consulted should be requested to forward their replies at an early date.

H. F. KNIGHT,

Under Secretary to Government.

G. O. No. 1198, R. D., dated 14th April 1920.

To

The Commissioner in Sind,
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
The Registrar of Companies,
*The Secretary, Chamber of Commerce, Bombay,
*The Secretary, Chamber of Commerce, Karachi,
*The Secretary, Bombay Millowner's Association,
*The Secretary, Indian Merchants' Chamber and Bureau, Bombay,
*The Secretary, Bombay Presidency Trades Association,
*The Secretary, Bombay Underwriters' Association,
*The Chairman, Associated Exchange Banks, Bombay,

*By letter.

No. of 1920.

Copy forwarded for information and guidance to

No. T-1032.

11th May 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

H. F. KNIGHT, ESQUIRE, I.C.S.,

Under Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

I am directed to acknowledge receipt of your letter No. 1189 A of 1920 dated 14th and 20th ultimo, giving cover to a copy of Government Order No. 1189 relating to the proposal to impose an additional *ad valorem* duty on the nominal capital of Companies registered under the Indian Companies Act 1913. My Committee regret to have to say they are unable to understand the force or cogency of the argument advanced in favour of the proposed levy and cannot approve of it. In their opinion there appears to be absolutely no occasion at present for its introduction. It is wrong and unsound in principle and harmful to Indian interests from more points of view than one. If adopted the measure would have the effect of penalising the flotations even of good and substantial companies for the sake of a few bogus and unsound ones and would thus seriously impede the growth of industrial and commercial enterprise throughout the country.

My Committee therefore beg to impress upon the Government the desirability of dropping the idea altogether thereby encouraging the free and unfettered growth of healthy flotations, leaving the weaker ones to their fate.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary,

"

APPENDIX 55

Quality, Shipment etc., of Japanese goods.

No. P-17 of 1920.

Bombay the 11th February 1920.

Sirs,

I beg to inform you that I am of intention to do my best in order to arrange the improvements of the Japanese goods imported to India in respect to their quality, shipment, manner of packing and other methods of transaction & etc., which my happen to be undesirable or inconvenient to the purchasers in India and request that you will kindly describe to me how you wish the Japanese goods you might have come in touch with to be as regards the points above-referred to giving frank criticisms without reserve which will be invaluable to the Japanese manufacturers and exporters as well as to myself.

Yours faithfully,

Consul for Japan.

J. K. MEHTA ESQUIRE, M.A.,
Secretary to the Indian Merchants' Chamber
and Bureau, Bombay.

No. T 1031.

11th May 1920.

The Consul for Japan,

BOMBAY.

Dear Sir,

With reference to your letter No. P. 17 dated the 11th February 1920, I am directed by my Committee to give seriatim their views on the various points referred to in your letter under reply :—

1. *Quality.*—It need not be mentioned that in this respect Japanese goods admit of considerable improvement. The quality of Japanese goods in general is ordinarily so poor and low that on our side the phrase "Japanese Goods" has become a synonym for inferior and shabby goods.

2. *Shipment and manner of packing.*—In this respect my Committee have no definite suggestions to make.

3. *Other methods of transaction, etc.*—My Committee extremely regret to have to say that business morality is not one of the strong points of the Japanese merchants and that it is to Japan's interests to improve it. To give you one concrete instance, a certain Japanese firm some time ago shipped Japanese piece-goods to India affixing thereon the stamp of "Manchester Fine Shirtings". The Customs Authorities here rightly objected to this method of false labelling and did not allow the goods to be cleared without having first obliterated the false stamps.

All the pieces were therefore unpacked and kept loose for days, with the obvious result that the consignee had to incur a heavy loss due to the deterioration of the goods. My Committee regret to say that this kind of "Suggestio Falsi" is, to say the least, unbusinesslike in the extreme.

Briefly these are the views of my Committee formed from the personal experience of some of their members. They have endeavoured to give expression to them quite freely and frankly; and they trust that they will not be misunderstood, but will be taken in the light in which they are meant.

Yous feithfully,

J. K. MEHTA.

Secretary.

APPENDIX 56

Official regulations in Uganda regarding Plague.

No. 111, Esplanade Road, Fort,

Bombay, 17 February 1920.

To,

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

We beg to send you herewith a copy of the Uganda Herald dated 16th Ultimo and wish to draw your attention to page 15 of the same giving official regulations regarding Plague.

You will notice from the same that while the "European" is considered Plague proof and is free to move about unhampered, all sorts of restrictions are put on the movements of British Indians.

In the first place the efficacy of Plague inoculation has been seriously questioned by some of the best Medical authorities and secondly the inoculation is invariably followed by three days high fever with great debilitating effect. Under the circumstances, Compulsory Inoculation before travelling out of the Township is regarded by the Indian Community resident in British East Africa and Uganda as an insult and an unnecessary hardship.

We shall feel obliged if you will put this before your Committee and do the needful in the matter early.

Yours faithfully,

NARANDAS RAJARAM & Co.,

No. T-893.

31 March 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Secretary,

Commerce and Industry Department, Government of India,

SIMLA.

Sir,

The attention of my Committee has been drawn to a Notification issued by the Government of British East Africa regarding plague regulations. It will be seen from a copy of

these regulations, published in the Uganda Herald of the 16th January 1920, enclosed herein, that while the "European" is considered plague-proof and is free to move about unhampered and unmolested, all sorts of invidious and irritating restrictions have been imposed upon the movements of British Indians.

In the first place, the efficacy of plague inoculation has been seriously questioned by some of the best Medical authorities in the world; and secondly the inoculation is invariably followed by a three-days' high fever with all its debilitating effects. My Committee however do not want to enter into the merits or de-merits of inoculation. They regard the one-sided regulations issued by the Government of British East Africa, as most insulting to India and causing unnecessary hardship to the many Indians travelling in that country. My Committee, therefore, beg to request you to be so good as to have inquiries made in this matter and to ascertain why such regulations creating invidious distinctions have been issued, and to press for their early revocation. They trust that the Government of India with their usual sympathy with Indian residents in the Colonies, will be pleased to consider their request favourably and secure the immediate removal of this grievance, which has been brought to their notice by the numerous Indian merchants and Traders travelling that way and resident in the said Colony.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 57

Proposed Legislation to meet the prevalence of petty thefts in Industrial districts.

No. 1461.

Judicial Department.

Bombay Castle, 12th March, 1920.

From

A. MONTGOMERIE, ESQUIRE,

Deputy Secretary to the Government of Bombay.

To

The Chairman of the Indian Merchants'
Chamber and Bureau,

Sir,

I am directed to forward the accompanying copy of an order of Government in this Department, No. 1460, dated the 13th February 1920, and to request that Government may be favoured with the opinion of the Indian Merchants' Chamber and Bureau on the proposal of the Government of India to undertake special legislation to meet the prevalence of petty thefts in industrial districts.

I have the honour to be,

Sir,

Your most obedient servant,

ILLEGIBLE.

Deputy Secretary to Government.

Legislation.

Proposed legislation to meet the prevalence of petty thefts in industrial districts.

GOVERNMENT OF BOMBAY.

JUDICIAL DEPARTMENT.

ORDER No. 1460.

Bombay Castle, 13th February 1920.

No. 113, dated the 17th January 1920.

From—A. Mcleod, Esq., Under Secretary to the Government of India, Home Department (Police);

To—The Secretary to the Government of Bombay, Judicial Department.

I am directed to forward a copy of a letter (with enclosures) from the Government of the United Provinces, No. 2000,* dated the 11th December 1919, containing a proposal that legislation should be undertaken in the Imperial Legislative Council on the lines of section 54-A of the Calcutta Police Act, 1866 (Bengal Act IV of 1866), to meet the prevalence of petty thefts in industrial districts.

2. I am to request that, with the permission of His Excellency the Governor in Council, the Government of India may be favoured with the views of the Local Government on the subject.

ORDER.—Copies of the letter from the Government of India and its accompaniments should be forwarded to the Commissioners of Divisions, the Inspector-General of Police, Bombay Presidency, the Commissioner of Police, Bombay, the Chief Presidency Magistrate, the District Magistrates of Karachi,

*Printed as accompaniments to this Order.

Ahmedabad, Poona, Belgaum, Sholapur, the Chairman of the Bombay Port Trust, the Municipal Commissioner for the City of Bombay, the Director of the Royal Indian Marine, the Agent, Bombay Baroda and Central India Railway Company, the Agent, Great Indian Peninsula Railway Company, the Bombay Chamber of Commerce, the Bombay Millowners' Association, the Bombay Native Piece-Goods Merchants' Association, the Bombay Presidency, Trades Association, the Bombay Shroffs' Association, the Grain Merchants' Association, Bombay, the Indian Merchants' Chamber and Bureau, and they should be requested to favour Government with their opinions on the proposal of the Government of India to undertake special legislation to meet the prevalence of petty thefts in industrial district. The District Magistrates concerned should submit their opinions through the Commissioners concerned.

A. MONTGOMERIE,

Deputy Secretary to Government.

To,

The Commissioner in Sind,
The Commissioner of Divisions,
The Inspector-General of Police, Bombay Presidency.
The Commissioner of Police, Bombay,
The Chief Presidency Magistrate, Bombay,
The District Magistrates of Karachi, Ahmedabad, Poona, Belgaum, Solapur,
† The Chairman of the Bombay Chamber of Commerce.
† The Chairman of the Bombay Millowners' Association.
† The Chairman of the Bombay Native Piece-Goods Merchants' Association,
† The President of the Bombay Presidency Trades Association,.

The Chairman of the Bombay Port Trust,
The Municipal Commissioner for the City of Bombay,
The Director of the Royal Indian Marine,
The Agent, Bombay, Baroda and Central India Railway Company,
The Agent, Great Indian Peninsula Railway Company.

† The President of the Bombay Shroffs' Association,
† The Chairman of the Grain Merchants' Association, Bombay,
† The Chairman of the Indian Merchants' Chamber and Bureau.

†By letter.

Accompaniments to Government Order in the Judicial Department, No. 1460, dated the 13th February 1920.

No. 2000, dated the 11th December 1919.

From—The Hon'ble Mr. M. Keane, I.C.S., Chief Secretary to the Government of the United Provinces,

To—The Secretary to the Government of India, Home Department.

I am directed to forward for the information of the Government of India copy of a letter, dated the 10th March 1919, from the Secretary, Upper India Chamber of Commerce, Cawnpore, on the subject of the desirability of introducing into the industrial districts of the United Provinces special legislation to meet the prevalence of petty thefts.

2. His Honour the Lieutenant-Governor has had enquiries made and is of opinion that the difficulty would be best met by a general Act passed in the Imperial Legislative Council

embodying legislation on the lines of section 54-A of the Calcutta Police Act, and authorising all local Governments to declare that the provisions of the Act should apply to such industrial districts within their jurisdiction as they may think fit. I am to say that Cawnpore is the only area in these Provinces at present to which this Government would apply the Act if passed.

Dated the 10th March 1919.

From—The Upper India Chamber of Cawnpore ;

To—The Government of the United Provinces.

It has recently been found necessary by the Committee of the Bengal Chamber of Commerce to urge upon the Governments of Bengal and of Bihar and Orissa the desirability of introducing into the colliery districts special legislation calculated to meet the prevalence of thefts of stores and of iron and brass fittings, etc.

It was pointed out by the Bengal Chamber that as the law stands in the colliery districts it is difficult, and often indeed impossible, to obtain convictions in cases of this class, for although suspicious property may be found in the possession of a person, it is for the prosecution to prove that such possession is unlawful. To furnish this proof is in practice difficult and numerous prosecutions fail for the want of it. All that the Court can do in such circumstances is to declare the property forfeit to the Government, or to return it to the person with whom it was found.

The difficulty it was stated, might be overcome by the introduction into the colliery districts of legislation on the lines of section 54-A of the Calcutta Police Act (which section also appears as section 33-A of the Calcutta Suburban Police Act) and section 2 of the Howrah Offences Act of 1857.

The Bengal Chamber have represented that there is at the present time in the colliery districts of Bengal and of Bihar and Orissa a state of affairs similar to that which justified the inclusion in the Calcutta Police Acts, in 1910, of the two sections quoted.

These sections were designed to put an end to the pilfering of goods such as jute, grain, salt, sugar, coal, etc., which could not be identified. The need for the special power had been strongly pressed by the Calcutta Port Commissioners, the Eastern Bengal Railway and the Commissioner of Police. In the statement of objects and reasons attached to the Bill which amended the Police Act it was said that it had been found " very difficult to obtain convictions under the ordinary law in the absence of means of proving the ownerships of the goods". This was said to be precisely the position in the colliery districts and it was pointed out that the recent rapid rise in values had proved to be a great temptation to petty thefts and that the ordinary law had failed, as it had failed in Calcutta, to prevent such.

In recommending the extension of similar provisions of law to the colliery districts the Bengal Chamber said :—

> " It might perhaps be desirable to include not only the colliery districts but industrial districts generally within the scope of the legislation. In that case the Imperial Government might be moved to pass a general Act authorising all local Governments to declare that the suggested provisions should apply to such industrial districts within their jurisdiction as they may think fit".

The Committee of the Upper India Chamber of Commerce consider these recommendations of the Bengal Chamber to be of the greatest value and they desire to invite the sympathetic consideration of His Honour the Lieutent-Governor to the

recommendation that some form of special legislation embodying the provisions of sections 54-A of the Calcutta Police Act should be extended to industrial districts in these Provinces. I attach a copy of this section for facility of reference.

The complaints, that were rife in Calcutta and Howrah and the suburbs, and which now prevail in the colliery districts are acutely present in Cawnpore and indeed must be always present in all industrial centres. The pilfering of cloth, yarn, stores, leather, grindery, thread, brass machine parts, electrical and other fittings is constant and cannot under the ordinary law be adequately checked, and these petty thefts cause in the aggregate a very heavy loss to local manufacturers.

The Calcutta Police Act, 1866.

Section 54-A.—(1) Whoever has in his possession,* or convey in any manner, or offers for sale or pawn, anything which there is reason to believe to have been stolen or fraudulently obtained, shall, if he fails to account for such possession or act to the satisfaction of the Magistrate, be liable to fine which may extend to one hundred rupees, or to imprisonment, with or without hard labour, for a term which may extend to three months.

(2) If any person charged under sub-section (1) in respect of anything declares that he received such thing from some other person, or that he was employed as a carrier, agent or servant to convey such thing for some other person,

the Magistrate, after such further inquiry (if any) as he may deem necessary, may summon such other person, and any former or pretended purchaser or other person through whose possession such thing is alleged to have passed, to appear

* Possession or dealing with things stolen or fraudulently obtained.

before him, and may examine such person and any witnesses who are produced to testify to such receipt, employment or possession ;

and, if it appears to the Magistrate that any such person had possession of such thing and had reasonable cause to believe that it was stolen or fraudulently obtained, the Magistrate may punish him with fine which may extend to one hundred rupees, or with imprisonment, with or without hard labour, for a term which may extend to three months.

T. 887

From

The Secretary,

The Indian Merchant's Chamber and Bureau,

BOMBAY.

To

A. Montgomerie, Esquire,

Deputy Secretary to the Government of Bombay,

Judicial Department,

BOMBAY.

Sir,

I am directed to acknowledge receipt of your letter No. 1461 of the 13th instant.

My Committee do not think a sufficient case has been made out for undertaking legislation in the Imperial Council on the lines of section 54-A of the Calcutta Police Act, 1836 to meet the prevalence of petty thefts in Industrial Districts.

As far as the Bombay city and presidency are concerned, my Committee are not aware of the existence of any public feeling on the score of petty thefts in Industrial districts. The Committee also fear that the proposed enactment, transfering as it does, the onus of proof from the prosecution to the defence will have the effect of inflicting considerable hardship upon the poorer classes of the people.

For all these reasons my Committee are unable to support the proposal ceferred to in your letter under reply.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary,

APPENDIX No. 58.

Delay in foreign Telegrams.

Bombay, 10th March, 1920.

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

I deg to bring to the notice of the Chamber, the following grievances, which I trust you will see your way to put before the committee.

Since the termination of the war we had expected a regular telegraph service, thus enabling merchants to do business on safe and sound principles. But it is notorious that since the

armistice, the telegraphic lines are working awfully slowly, thereby hindering the trade of the country to a great extent. There is no relief in this direction and one cannot see how long this apathetic situation will last.

If there is any breakage on the lines, it would not take more than a few days to repair the same. But it seems that there is something wrong with the service, owing to shortage of operators or unknown pressure of Government work. The cause of this ought to be found out and remedied by the authorities.

Secondly, there are only (2) two services from India-an ordinary and deferred.

Whilst there are three services in the far East an express, an ordinary and a deferred. May I inquire why the Government has not yet given us the first service from India. Undoubtedly in the first place it will bring in enhanced revenue in the Government, and secondly it will help and encourage trade of this helpless country.

Only one example will suffice to prove the value of an express service, that an ordinary telegram takes 4-6 days to reach its destination, whilst an express telegram is received here on the same day of departure from the far East.

May I request the committee of the Chamber that in the interest of the trade, it should make proper representations to the authorities to introduce the express service in India with the least possible delay.

Yours faithfully,

A. C. SETHNA.

6th April 1920.

T. No. 915.

From

The Secretary,

The Indian Merchants' Chamber and Bureau.

BOMBAY.

The Director-General of Posts and Telegraphs,

CALCUTTA.

Sir,

My Committee are aware that the question of the congestion of Foreign cables is now receiving your close attention and that an improvement may be expected at not a very distant date. The matter is nevertheless of such great importance that in the opinion of my Committee, measures should meanwhile be devised to give urgent relief to the public, if it is possible to do so. It is not necessary for them to refer to the very serious inconvenience and loss caused to the trade and industry by the unusual and extraordinary delays in foreign cable service, as this has been pointed out on more occasions than one. They hope that your Department will be in a position before long to eliminate delays altogether and make the foreign cable service perfectly efficient on a payment basis.

A member of this Chamber has requested the Committee, to represent to the Government the advisability of the introduction in the meantime, of an express service in addition to the ordinary and deferred services which are already in existence. There are three services for the Far East the express, the ordinary and the deferred. There is no reason why the same facilities cannot be provided here. The commercial community will be only too willing to pay for these extra facilities, even though the charges may be twice, or three times the rates for

the ordinary service. Only one instance will suffice to demonstrate the special value of the express service; and it is that while an ordinary cablegram takes 4-6 days to reach its destination, an express telegram is received here on the very day on which it is despatched from the Far East.

My Committee would like to know whether in your opinion the present cable condition would admit of such a change; and if so, whether it would not immediately tend to relieve the congestion now existing.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

POST AND TELEGRAPHS.

From

The Director-General of Posts and Telegraphs,

To

The Secretary,
Indian Merchants' Chamber and Bureau,
Old Telephone Buildings, 19, Bank Street.
BOMBAY.

No. 86 S. H. dated Simla, the 5th May, 1920.

Sir,

In continuation of this office letter No. 858-H* dated the 14th April 1920, I am directed to forward for the information of your Chamber an extract from a letter dated the 13th January 1920 from the General Superintendent, Eastern Telegraph

*Acknowledgement.

Company, Bombay, giving a list of the works that are being undertaken by the Cable Companies with the object of reducing delays to Indian traffic.

2. The latest announcements by the Eastern Telegraph Company as noted in the statement attached show that there has been an improvement in delays to traffic between India and the United Kingdom.

3. I am to add that the express and urgent service referred to was introduced in India with effect from the 25th March 1920.

I have the honour to be,

Sir,

Your most obedient servant,

Deputy Director-General,

Telegraph Traffic.

Copy of a letter No. Nil, dated the 13th January 1920, from the Gerenal Superintendent. The Eastern Telegraph Company, Limited, Bombay, to the Director-General of Posts and Telegraphs, Telegraph Traffic, Calcutta.

On receipt of your service coded "NF 10 January 1920", I at once cabled to Managing Director, London, as I had not the information necessary to answer certain of your inquiries, such as when the new Aden-Bombay No. 4 would be laid and working, without reference to our Head Office.

I have the honour to inform you that the following is being under-taken with the object of reducing delays to Indian Traffic:—

(1) A new Gibralter-Porthcurnow Cable (completed December 4th last).

(2) A new Alexandria-Malta No. 5, Cable.

(3) Cable Relays inserted at Bona, on both Malta-Marseilles cables. Doubling the speed.

(4) The present Aden-Suez Nos. 1 and 4, cables to be taken into Port Sudan, with Cable Relays at the latter place. Doubling the speed of each section.

(5) A new Aden-Bombay No. 4 cable.

(6) Installation of latest high-speed apparatus, which includes Magnifiers and Perforators, on all Main Line Sections.

It is expected that the addition and alterations enumerated under items 2 to 4 will be completed in two to three months' time.

My Company are doing the utmost possible to complete and lay the new Aden-Bombay No. 4 cable before next Monsoon; in all cases, however, we are greatly hampered by delays in delivery of Instruments.

APPENDIX 59

Leakage in consignments of arms and ammunition imported into British India.

No, 1955.

Judicial Department.

Bombay Castle, 27th February 1920.

From,

H. D. Baskerville, Esquire,
Under Secretary to the Government of Bombay.

To

The Secretary,
Indian Merchants' Chamber and Bureau,
Bombay.

Sir,

I am directed to forward herewith a copy of a letter from the Government of India, Home Department, No. 253, dated

the 10th February 1920, regarding measures to prevent leakage in consignments of arms and ammunition imported into British India from abroad, and to request that Government may kindly be furnished with the opinion of your Chamber on the proposal contained in paragraph 2 of the letter.

I have the honour to be,
Sir,
Your most obedient servant,
H. D. BASKERVILLE.
Under Secretary to Government.

No. 253.

From,
A. Macleod, Esq.,
Under Secretary to the Government of India.

To
The Secretary to the Government of Bombay,
Judicial Department.

Home Department
(Police).

Delhi, the 10th February 1920.

Sir,

I am directed to forward for the information of His Excellency the Governor in Council, a copy of the correspondence noted on the margin relating to the adoption of measures to prevent leakage in consignments of arms and ammunition imported into British India from abroad.

1. Letter from the Government of Bengal No. 2291-P. D., dated the 15th August 1916.
2. Letter to the India Office No. 8646-W. 1 dated the 25th September 1916.
3. Letter from the India Office No. R. and S. 4305-16, dated the 6th December 1916, and enclosures.
4. Letter to the Government of Bengal No 95, dated the 30th March 1917.
5. Letter from the Government of Bengal No. 931, P. D., dated the 23rd May 1917.
6. Letter from the Commissioner of Police Calcutta to the Government of Bengal, dated the 9th September 1919.
7. Letter to the Government of Bengal No. 1265, dated the 9th October 1919.
8. Letter from the India Office No. R. and S. 5670-19, dated the 11th September 1919, and enclosures.
9. Letter to the India Office No. 1336, dated the 29th October 1919.
10. Letter from the Government of Bengal No. 4013-P. J., dated the 21st November 1919.

2. It has been suggested to the Government of India that in order to secure the

object aimed at all arms and ammunition imported by dealers into British India from abroad should be packed in iron drums of sufficient strength to defy all ordinary attempts to open them and should be shipped in vessels having a lockfast safe. As observed in the Home Department letter to the Government of Bengal No. 95, dated the 30th March 1917, the Government of India concur in the opinion that the best means of securing this would be an amendment of the Arms Rules and Schedules, but before they come to a final decision as to the policy to be adopted and the means by which effect should be given to it they would be glad to be furnished with the views of His Excellency the Governor in Council. I am to suggest that Chambers of Commerce or other bodies or persons who are interested should be consulted before the Local Government's views in the matter are communicated to the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,
(Sd.) A. MACLEOD,
Under Secretary to the Government of India.

6th April 1920.

T. 914.

From,
The Secretary,
The Indian Merchants' Chamber and Bureau,
Bombay.

To,
H. D. Baskerville, Esquire,
Under Secretary to the Government of Bombay,
Judicial Department,
Bombay.

Sir,

With reference to your letter of the 27th February 1920, No. 1955, regarding measures to prevent leakage in the consignments of arms and ammunidtions into British India from

abroad, I am directed to inform you that my Committee are not in favour of the adoption of such measures as are referred to in the letter from the Government of India to the Government of Bombay dated 10th February 1920. There are no figures given in the letter from the Government of India to show that the leakage in the consignment of arms and ammunitions has attained such proportions as to justify the adoption of special measures by the Government.

My Committee are informed that during the last 25 years very few cases of leakage, if any, have occured. They are therefore unable to approve of the proposal suggested in the letter of the Government of India, above referred to as they consider that no case has been made out for its introduction.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA,
Secretary.

APPENDIX 60

India's Share in the Reparation Dyes.

No. 1751-D.

GOVERNMENT OF INDIA.
Department of Commerce and Industry.
Delhi, the 26th February 1920.

From
E. C. Ansorge, Esquire, I. C. S.,
Under Secretary to the Government of India,

To
The Secretary,
The Indian Merchants' Chamber and Bureau,
Old Telephone Buildings,
19 Bank Street, Bombay.

Sir,

In reply to your letter No. T. 631,* dated the 16th instant, I am directed to state that all the Alizarine dyes and 15 per cent of the other kinds of dyes obtained by the United Kingdom

* See page 365.

from Germany under the peace Treaty have been allotted to India. Arrangements for the distribution, etc., of these dyes are being made by the Government of Bombay, to whom you should apply for any further information that you may require.

I have the honour to be,
Sir,
Your most obedient servant,
E. C. ANSORGE.
Under Secretary to the Government of India.

No. T-885.
30th March 1920.

From
The Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To
The Secretary,
General Department,
Government of Bombay,
BOMBAY.

Sir,

The Committee of this Chamber are informed by the Secretary, Commerce and Industry Department. Government of India that all the Alizarine dyes and 15 per cent of other kinds of dyes obtained by the United Kingdom from Germany under the Peace Treaty are allotted to India, and that arrangements for the distribution of these dyes are made by Government of Bombay, to whom reference must be made for further information.

I am directed therefore by my Committee to approach you with a request that you will be pleased to give information on the following points:—

(*a*) How will the work of distribution be carried on?

(*b*) Who will be the distributing authority?

My Committee need not bring to the attention of the Government the fact that the question is most important and that serious heart-burning and considerable hardship will ensue if unfortunately proper care is not devoted to the constitution of the distributing authority. They hope that no attempt will be made to give the monopoly of the work of distribution to one single individual, however highly placed or to an individual commercial firm. If the work is to be carried out by a Government Officer, he must be assisted by a strong Committee, that may command the confidence of the public, consisting of the representatives of the European and Indian Chambers of Commerce, and the Bombay and Ahmedabad Mill-owners' Associations. The necessity for such a representative Advisory Committee was recognised by the Hon'ble Sir George Barnes, K. C. B., Member for Commerce and Industry, Government of India, who after his interview with the Committee of this Chamber arranged for a nomination of a representative of this Chamber on the Advisory Committee appointed to help the Collector of Customs in his work of granting licenses for the import of dyes,

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No.G. Mis/ 290.

Revenue Department.

Bombay Castle, 28th April 1920.

From

H. F. KNIGHT, ESQUIRE, I.C.S.,

Deputy Secretary to the Government of Bombay.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.-Distribution of Reparation dyes.

Sir,

With reference to your letter No. T-885 dated 3th March 1920 on thr above subject I am directed to inform you that the distribution will be made under the control of the Director of Industries, Bombay, from whom details can be learnt.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible,

For Deputy Secretary to Government.

No. T. 1037.

13th May 1920.

From

J. K MEHTA, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Director of Industries.

BOMBAY.

I am informed by the Government of Bombay in their letter No. G. Mis/230 dated 8th April 1920, that the distribution of reparation Dyes is to be made under the control of the Director of Industries from whom details may be learnt.

Under the circumstances my Committee will feel obliged if you will let them know if any arrangements and if so what are arrived at regarding the distribution of Reparation Dyes.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary,

No. A-10-2354.

OFFICE OF THE DIRECTOR OF INDUSTRIES,

Old Customs House,

Bombay, the 14th May 1920.

From

G. H. THISELTON-DYER, Esq., M.A., Assoc. M. Inst. C.E.,

Acting Director of Industries,

BOMBAY.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

In reply to your No. T-1037 of May 13th, 1920, I beg to inform you that the Government of India has made the following arrangements for the distribution of German reparation dyes. Reparation alizarine is being sent to the British Alizarine Dye Company, to be made suitable for use, and is now being received by Messrs. Latham Abercrombie and Co., of Bombay, and Messrs. Best and Co., of Madras, for distribution under the control of the Directors of Industries in Bombay and Madras, at a price of Rs. 1-3 a pound. I am informed that the total amount of alizarine paste is about 200 tons, but consignments are coming forward very slowly, and the amount added to that received from the British Alizarine Company of British make, is not nearly sufficient to meet the demands.

2. With regard to reparation non-alizarine dyes, the arrangements arrived at by the Government of India were published in a Press Communique a few weeks ago, and I attach a copy for your information. Up to the present time, I have received no lists or further information about these dyes, and as I have been told unofficially that there is a considerable amount of trouble in identifying the different dyes as they arrive from Germany, I shall not be surprised if the method of distribution is altered even once again.

Yours faithfull,
F. C. DAVIES.
for Ag. Director of Industries.

Press Note.

The Secretary of State has informed the Government of India that between 2,000 and 3,000 tons of dye stuffs will probably arrive from Germany as the British Empire share of stocks of dyes.

2. All the alizarine dye will be allotted to India after conversion by the British Alizarine Company into a form suitable for use in this country. This dye is already being received in small quantities, and is distributed at a controlled price to consumers only by Messrs. Latham Abercrombie & Co. of Bombay and Messrs. Best and Company of Madras.

3. Approximately 15 per cent of the non-alizarine dyes will be allotted to India and will be obtainable by consumers and sellers of Dye stuffs through their London Agents.

4. Detailed lists of colours available and prices are expected to arrive in India shortly and will be issued with the conditions under which the dyes can be obtained, by the Director of Industries, Bombay.

5. Consumers or sellers of dye stuffs in the Bombay Presidency or Native States under the jurisdiction of the Bombay Government, who have agents in England and wish to tender for supplies of non-alizarine dyes, should apply to the Director of Industries, Bombay, who will register their names and forward lists and other particulars above referred to, as soon as they are available.

6. Consumers and firms outside the Bombay Presidency should apply to the Director of Industries in their own Provinces.

GOVERNMENT OF BOMBAY.

Revenue Department.

No. 1163.

Bombay Castle, 10th April 1920.

Sd. H. F. Knight.

Under Secretary to Government.

14th May 1920.

T. 1041.

From

J. K. Mehta, Esquire, M.A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

Bombay.

To

H. F. Knight Esqr. I.C.S.,

Deputy Secretary to Revenue Dept.

The Government of Bombay,

Bombay.

Sir,

With reference to your letter No. G. Mis, 290, dated 9th April 1920, I am directed by my Committee to say that as

suggested they have written to the Director of Industries re. the details about the distribution of dyes.

In the meanwhile, my Committee beg to suggest that in the interests of consumers the work of distribution should be entrusted to the Director of Industries assisted by a Committee consisting of one representative from each of the following Chambers and Associations.

1. The Bombay Chamber of Commerce.
2. The Indian Merchants' Chamber & Bureau.
3. The Bompay Mill-owners' Association.
4. The Ahmedabad Mill-owners Association.

May Committee think that if the Committee constituted as above were appointed to help the Director of Industries in the distribution of dyes, it would greatly help the Director of Industries in making a just and equitable distribution of the "Reparation Dyes" at his disposal.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. G. 138 of 1920.

Revenue Department.

Bombay Castle, 27th May 1920.

From,

H. F. Knight, Esquire, I.C.S.,

Under Secretary to the Government of Bombay;

To,

The Secretary,

Indian Merchants' Chamber and Bureau,

Bombay.

Subject.—Distribution of Reparation dyes.

Sir,

With reference to your letter No. T. 1041 dated 14th May 1920, I am directed to state that the distribution of reparation alizarine dyes has been entrusted to Messrs. Latham Abercrombie and Company in consultation with the Director of Industries. As the quantity is small and as the firm is also distributing the little consignments of non-reparation alizarine dyes which arrive from time to time Government consider that the present arrangement works satisfactorily and that there is no need for the appointment of a committee to help the Director of Industries.

2. As regards non-alizarine reparation dyes I am to state that the question of their distribution is still under consideration.

I have the honour to be,

Sir,

Your most obedient servant,

.....

For Under Secretary to Government.

No. T. 1135.

12th June 1920.

From

The Secretary,
The Indian Merchants' Chamber and Bureau,
Bombay.

To,

H. F. Knight, Esqr., I.C.S.,
Under Secretary to the Government of Bombay,
Revenue Department, Bombay.

Sir,

I am directed to acknowledge receipt of your letter No. G. 138 of 1920 dated 27th May 1920.

My Committee regret that they cannot agree with the Government in thinking that the present arrangement for the distribution of reparation Alizarine Dyes works satisfactorily and that there is no need for the appointment of a Committee to help the Director of Industries.

My Committee have received several complaints from bonafide consumers of Alizarine which go to prove conclusively that the present method of distribution is not at all satisfactory. As an instance may be quoted the case of the Petlad Sayaji Dyeing and Manufacturing Company. The consumption of this concern before the war was 4 to 5 tons of Alizarine per month and it requires at present from three and a half to four tons per month. This concern although it occupies a prominent position among Indian consumers has not been able to get even a lb of Alizarine for some months under the distribution of Messrs. Latham Abercrombie and Company.

My Committee fear that if the distribution of the reparation Alizarine dyes is carried on on the same lines as the distribution of non-reparation Alizarine dyes, the position of the consumer will not improve.

I am therefore directed to request you to request the Government to reconsider the matter and appoint a Committee as suggested by me in my letter No. 1041 dated 14th May 1920 without which my Committee believe justice will not be done to consumers.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary,

No. G 138.

Revenue Department.

Bombay Castle, 14th July 1920.

From

H. F. Ball, Esquire, I. C. S.,

Under Secrtary to the Government of Bombay ;

To

The Secretary

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Distribution of reparation alizarine dyes.

Sir,

With reference to your letter No. T. 1135 dated 12th June 1920 I am directed to state that India's share of the reparation alizarine dyes has already been received and distributed.

The actual quantity received represented but a small fraction of the demand and no appointment of a committee could have prevented complaints from various quarters.

I have the honour to be,
Sir,
Your most obedient servant,
H. F. BALL
Under Secretary to Government.

T. 1392. 6th August 1920

From,
J. K. Mehta Esqr., M. A.,
Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

To,
H. F. Ball Esqr., I. C. S.,
Under Secretary to Government of Bombay,
Revenue Department, Bombay,

Sir,

With reference to your letter No. G. 138 dated 11th ult., I am directed by my Committee to say that they have noted with great disappointment and regret that the procedure suggested by them was not followed in the distribution of Alizarine Dyes. They should like to urge strongly that in future when the question of distribution again comes up before the Government their recommendation regarding the appointment of an advisory Committee will be considered, more seriously, by them.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA
Secretary.

APPENDIX 61

Imperial Preference.

No. 10578 of 1919.

Revenue Department,

Bombay Castle, 8th October 1919.

From

Shamrao D. Mankar, Esquire,

Acting Under Secretary to the Government of Bombay ;

To

The Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed to forward, for the information of your Chamber and for communication to the mercantile community a copy of a Notification No. 9909 dated 25th September 1919 issued by this Government republishing a Press Notice issued by His Majesty's Board of Customs and Excise on the subject of Imperial Preference.

I have the honour to be,

Sir,

Your most obedient servant,

SHAMRAO D. MANKAR.

Acting Under Secretary to Government.

REVENUE DEPARTMENT

Bombay Castle, 25th September 1919.

No. 9909.—The following notification by the Government of India, Commerce and Industry Department, is republished :—

"TRADE AFTER THE WAR.

No. 7386, dated Simla, the 20th September 1919.

The following Press Notice issued by His Majesty's Board of Customs and Excise is published for general information : —

PRESS NOTICE, HOME AND OVERSEAS PRESS.

IMPERIAL PREFERENCE.

Under the Finance Act, 1919, the preferential rates of Customs duties in favour of Empire products will operate, except in the case of tea, as from the 1st September. Preference on tea came into force on the 2nd June. The preferential rates are applicable to almost all goods subject to Customs duties which are shown to the satisfaction of the Commissioners of Customs and Excise to have been consigned from, and grown, produced or manufactured in the British Empire. The goods which come within the scope of preferential treatment, together with the preferential rates of duty, are :—

Goods.	Rate of Duty.
Tea	Five-sixths of the full rate.
Cocoa	
Coffee	
Chicory	
Currants	
Dried or preserved fruit ...	
Sugar	
Glucose	
Molasses	
Saccharin	
Motor Spirit	
Tobacco	
Motor cars, musical instruments, clocks watches etc.,	Two-thirds of the full rate.
Cinematograph films ...	
Wine :	

n, e. 30o of proof sprit	...	Sixty per cent. of the full rate
ex. 30o of proof spirit	...	Sixty-six and two-thirds per cent. of the full rate.
Additional duty on Sparkling wine in bottle.		Seventy per cent. of the full of the additional duty.
Additional duty on still wine in bottle.		Fifty per cent. of the full rate of the additional duty.

Sprits :

Preference in the case of spirits is to be given by way of an increase in the duties on non-Empire spirits as from the 1st September. The preferential rates will be equivalent to the full rates as chargeable under the Finance Act, 1919, up to that date, and duties on non-Empire spirit will then be increased by 4s. per gallon on perfumed spirits, 3s. 4d. per gallon on liqueurs, etc., and non-tested spirits, and 2s. 6d. per proof gallon on all other descriptions of spirits.

The expression 'British Empire' for the purpose of Preference includes at present the self-governing Dominions, the Crown Colonies and Protectorates, India, and the Channel Islands. Territories which in future may come under His Majesty's Protection or in respect of which a mandate of the League of Nations is exercised by the Government of any part of His Majesty's Dominions may be included by Order in Council.

The preferential rates may be claimed for Empire products which are delivered for home consumption, whether from Bonded stocks or on importation, on and after 1st September.

In the case of goods which are imported on and after 1st September, the preferential rate of duty should be claimed by the importer at the time of making entry. He should be

prepared to substantiate the declaration on the entry that the goods were consigned from a part of the British Empire by the production of the Bill of Lading, supplier's invoice, or in any other way, if called upon to do so by the Customs Officers.

As regards origin the importer will normally be required to produce a certificate from the British Overseas manufacturer (in the case of manufactured articles) or the grower, producer or supplier (in the case of growth or produce), supplemented, if that person is not the exporter by an additional certificate from the latter. In the case of manufactured tobacco, refined suger, syrup, molasses, and other products of the refining of raw sugar, a further certificate of the proportion of Empire produced raw material must be given by the refiner or manufacturer, also supplemented in cases where he is not the exporter, by the additional certificate from the latter. Specimens of the various forms of certificates are appended. If the Collector of Customs is satisfied by the production of the certificate or certificates, he will forthwith admit the goods to entry as entitled to the preferential rate. If, however, he is for any reason doubtful as to whether the goods are in fact entitled to the preferential rate, he will call for production of invoices or other such further evidence as he may require, and, if he considers it necessary, will submit the question to the Board of Customs and Excise. Meanwhile, unless he has any reason to suspect an attempt at fraud, he will allow delivery of the goods on payment of the full rate of duty, subject to adjustment if and when he is satisfied that the preferential rate is applicable. Similarly, in the case of goods intended for warehousing, the Collecter will allow the goods to be deposited in warehouse, a note being made in the books that pending satisfactory proof of Empire origin, they are only to be delivered at the full rate of duty.

In the case of manufactured goods, preferential duties are claimable only if a prescribed proportion of the factory or works cost to the manufacturer of each finished article ready for export to the United Kingdom is due to labour within the British Empire. The proportion for the present has been fixed by the Board of Trade at 25 per cent. for all manufactured goods, with the exception of manufactured tobacco, refined sugar, syrup, molasses, and other products of the refining of raw sugar.

In the case of these articles, the proportion has been fixed at 5 per cent. but the preferential rate can only be claimed in respect of such proportion of the finished article as can be shewn to correspond to the proportion of Empire-grown dutiable materials used in its manufacture. This limitation may also be extended by the Board of Trade to other articles which are found to a considerable extent to be manufactured in the Empire from materials which are not produced in the Empire.

The dutiable articles which for the purpose of charging the preferential rate are considered as manufactured articles are:—

Refined sugar.
Manufactured goods containing sugar or cocoa.
Manufactured goods containing spirits, *e. g.*, pomades, varnishes, dyes, etc.
Glucose.
Syrup, Molasses and other extracts of sugar.
Saccharin.
Manufactured Tobacco.
Cinematograph Films.
Motor Cars, parts, accessories, etc.
Musical Instruments, parts, accessories, etc.
Clocks, Watches, etc.

All other goods will be regarded as growth or produce. The term refined sugar means sugar which has passed through a refinery.

As regards goods already in bond before 1st September or which left the point of origin before public intimation was made of the requirement of certificates of origin, no hard and fast rule can be laid down. In the case of bonded goods the Board of Customs and Excise will to a great extent rely on the particulars of consignment and origin as recorded in the official account and so far as is practicable they will apply the same test to blends of Empire and non-Empire goods. In the case of such blends duty will be charged at preferential rates on the proportion of Empire goods shewn to be contained therein. In the case of imports which left the point of origin before the requirement of a certificate of origin was known the Collector will be prepared to consider invoices, bills of lading, etc., and any other evidence which the importer may be able to produce. It must, however, be borne in mind that the onus of proof in all cases rests by law with the importer.

A more detailed statement will shortly be published in the Board of Trade Journal, and will be available in pamphlet form at all Custom Houses and Offices of Collectors of Customs and Excise in the United Kingdom. Arrangements are being made for distribution Overseas.

In the case of post parcels arriving from a part of the Empire, if the contents are not merchandise for sale and do not exceed £10 in value, the following short form of certificate will in the absence of ground for suspicion, be accepted as satisfactory evidence of origin for charging the preferential rate of duty:—

'The contents of the package are not merchandise for sale, and every dutiable article herein is the

growth or produce, or, if a manufactured article is to the extent of at least one-fourth of its present value *bona fide* the manufacture of (Empire country of origin)."

All other post parcels will be subject to the ordinary rules of evidence of origin applicable to merchandise generally as set out in the earlier part of this notice.

CUSTOM HOUSE, LONDON,
7th August 1919.

D.

Form of Certificate of Origin of goods in respect of which a reduction of duty is claimed under the Imperial Custom Tariff as being the growth or produce of the British Empire.

I hereby certify that I am ((1) of) the (2) of the articles included in this certificate (and that I am duly authorised to make and sign this certificate on behalf of the said).

I have the means of knowing and I do hereby certify that the merchandise designated below is of (3) growth or produce (4) which merchandise is to be shipped to (5) *via* (6) consigned to merchant at (7)
Port of Shipment).

Number and description of packages.	Marks and numbers	Weight or quantity.	Total value.	Contents	(8) Name of grower or producer.

Signature.

Dated at this day of 19 .

BACK OF CERTIFICATE D.

Supplementary Certificate to be given by the exporter in cases where the exporter is not also the grower, producer or supplier of the goods above specified.

To be endorsed on the main certificate.

I hereby certify that I am ((1) of the exporter (s) of the merchandise specified in the foregoing certificate (and that I am duly authorised to make and sign this certificate on behalf of the said).

I have the means of knowing and I do hereby certify that the merchandise referred to is of (2) growth or produce, (3) and that such merchandise is to be shipped to (4) *via* (5) consigned to at (6) .

Port of Shipment .

Signature.

Dated at this day of 19 .

E.

Form of Certificate of Origin for goods in respect of which a reduction of duty is claimed under the Imperial Customs Tariff as being the manufacture of the British Empire.

I hereby certify that I am ((1) of) the manufacturer (s) of the articles included in this certificate (and that I am duly authorised to make and sign this certificate on behalf of the said manufacturer (s)).

I have the means of knowing and I do hereby certify that the merchandise designated below is of (2)

manufacture (3) (which merchandise is to be shipped to (4) *via* (5) consigned to merchant at (6)).

Further I have the means of knowing and I do hereby certify that of the total value of each and every manufactured article covered by this certificate in its finished condition not less than 25 per cent. is the result of labour within the British Empire the proportion being calculated in accordance with the regulations (7) appearing on the back of this certificate.

(3) (Port of Shipment).

Number and description of packages.	Marks and number.	Weight or quantity.	Total value.	Content.

Signature.

Dated at this day of 19 .

(BACK OF CERTIFICATE E.)

Regulations referred to in the certificate on the face hereof.

Where a number of separate articles are included in one parcel or shipment each and every article shall be considered separately for the purpose of calculating the proportion of value due to labour within the Empire.

For the purposes of these regulations the total value of an article shall be its cost to the manufacturer at the factory or works and shall include the value of containers and other forms

of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the goods subsequent to their manufacture.

In calculating the proportion of value which is the result of the labour within the British Empire there may be included under the head of labour the cost to the manufacturer of any materials of purely Empire origin entering into the composition of the article (including the interior packing specified in the foregoing paragraph), the cost of manufacture including wages, proportion of fuel, supervision and other factory expenses, and the cost of the labour of packing for retail sale.

The following may not be included in the proportion of value which is the result of Empire labour, namely, any materials or interior packings not entirely of Empire origin, manufacturer's profit or the profit or remuneration of any trader, agent, broker or other person dealing in the article in its finished condition, the expenses of placing the goods in outside packages for export and the cost of such packages, transportation charges, insurance and any other charges for services after the goods leave the place of production or manufacture.

Supplementary Certificate to be given by the exporter in cases where the exporter is not also the manufacturer of the goods above specified.

To be endorsed on the main certificate.

I hereby certify that I am (1)
of the exporters of the merchandise specified in the foregoing certificate, and that I am duly authorised to make and sign this certificate on behalf of the said

I have the means of knowing and I do hereby certify that the merchandise referred to is of (2)

manufactured and that such merchandise is to be shipped to (3) *via* (4) consigned to at (5) Port of Shipment .

Signature.

Dated at *this* *day of* *19* .

F

Form of Certificate of Origin for manufactured goods in respect of which a reduction of duty is claimed under Imperial Customs Tariff, only in respect of the proportion of dutiable materials of Empire origin which have entered into their manufacture, i.e., manufactured tobacco, refined sugar, syrup, molasses and other extracts of sugar.

I hereby certify that I am (1) of the (2) of the articles included in this certificate, that I am employed by them in their (3) at and that I am duly authorised to make and sign this certificate on behalf of this said

I have the means of knowing, and I do hereby certify, in respect of the merchandise designated in the Schedule below, which merchandise is of (4) manufacture of refining (5) (6) (and is to be shipped to (7) *via* (8) consigned to merchant at (9)) that of its total value in its finished condition not less than 5 per cent. is the result of labour within the British Empire, the proportion being calculated in accordance with the regulations (10) appearing on the back of this certificate. Also that there has entered into the manufacture of such merchandise dutiable material of Empire origin to the extent therein specified.

(6) (Name and address of exporter
(Port of Shipment)

Signature.

No. and description of package.	Marks and Number	Weight or quality.	Total value.	Contents	Dutiable material of Empire origin used in manufacture.		
					Description.	Country or countries of origin.	Proportion of Empire dutiable materials to total dutiable materials.

Signature.

Dated at *this* *day of* *19*

(BACK OF CERTIFICATE F.)

Regulations referred to in the certificate on the face hereof.

Where a number of separate articles are included in one parcel or shipment each and every article shall be considered separately for the purpose of calculating the proportion of value due to labour within the Empire.

For the purpose of these regulations the total value of an article shall be its cost to the manufacturer at the factory or works and shall include the value of containers and other forms of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the goods subsequent to their manufacture.

In calculating the proportion of value which is the result of labour within the British Empire there may be included under the head of labour the cost to the manufacturer of any materials of purely Empire origin entering into the composition of the article (including the interior packing specified in the fore-

going paragraph), the cost of manufacture including wages, proportion of fuel, supervision and other factory expenses, and the cost of the labour of packing for retail sale.

The following may not be included in the proportion of value which is the result of Empire labour, namely any materials or interior packing not entirely of Empire origin, manufacturer's profit or the profit or remuneration of any trader, agent, broker or other person dealing in the article in its finished condition, the expenses of placing the goods in outside packages for export and the cost of such packages, transportation charges, insurance and any other charges for services after the goods leave the place of production or manufacture.

Supplementary Certificate to be given by the exporter in cases where the exporter is not also the manufacturer or refiner of the good above specified.

To be endorsed on the main certificate.

I hereby certify that I am (1) of the exporters of the merchandise specified in the foregoing certificate and that I am duly authorised to make and sign this certificate on behalf of the said

I have the means of knowing and I do hereby certify that the merchandise referred to is of (2) manufacture or refining (3) and that such merchandise is to be shipped to (4) *via* (5) consigned to at (6)
Port of Shipment

Signature.

Dated at *this* *day of* *19* .

(Signed) A. H. LEY,
Secretary to the Government of India.

By order of His Excellency the Honourable the Governor in Council,

P. J MEAD,
Chief Secretary Government,

3rd March 1920

Telegram from the Chamber

To

Commerce

DELHI.

Committee of the Indian Merchants' Chamber beg emphatically to protest against the appointment of a Committee of the Council to report on so vital a question as the introduction of a policy of Imperial Preference in Indian Tariff arrangements. Importance and magnitude of the question demand its examination by a representative Commission charged with powers of receiving public evidence on which Indian Industrial and Commercial interests are adequately represented. In the opinion of my Committee such a course is absolutely essential towards arriving at any fair and considered decision in the matter. The course at present adopted will lack public confidence and be inconsistent with the very undertaking given by the Secretary of State in his Revenue despatch No. 86 para 3 that representative public opinion will be invited on the fiscal question with which my Committee submit the present question is indissolubly bound up. My Committee cannot help feeling that various steps recently taken by Government in the fiscal affairs of the country are anything but calculated to further the interests of India and the same have caused grave discontent. My Committee submit therefore that the Committee appointed should under no circumstances go beyond conducting a preliminary survey of the statistics relating to the question. From J. B. Petit. Chairman.

APPENDIX 62

Letter from the Secretary, The Bombay Cotton Brokers, Association.

The Bombay Cotton Brokers' Association Ltd.

Marwari Bazar,

Bombay,

24th February 1920

To,

The Secretary,

The Indian Merchants' Chamber and Bureau.

19, Bank Street, Bombay.

Sir,

I beg to herewith forward to you a copy of the Resolution adopted at the Extra-Ordinary General Meeting of the members of my Association held yesterday, the 23rd instant as under :—

RESOLUTION :—This meeting resolves that a meeting of the Cotton Trade be called as early as possible for the herein below mentioned purposes :—

(*a*) To consider the Bill No. 3 of 1920 a bill to amend the Bombay Cotton Contracts Control (War Provisions) Act 1919.

(*b*) To consider the working of the present Cotton Contracts Board.

(*c*) To prepare and send a Memorial and a deputation to the Government with a view to abolishing the Government Control over the Cotton Trade.

(*d*) To appoint a Committee which may work for the achievement of the herein above said purposes and besides these any other matter that may be brought forward at the above proposed meeting and every member of the trade present at the proposed meeting shall have power to propose Resolutions, Amendments and Memorial etc. ; : provided that a notice of such Resolutions or Memorial shall reach the Secretary of any of the bodies calling the meeting atleast before 48 hours. This meeting further resolves that copies of the above Resolution be forwarded to the various allied bodies concerned in the Cotton Trade asking each of them to send its assent with a mention of the suitable time and place for the proposed meeting. Further the Honorary Secretary be and is hereby authorized to issue a notice specifying the time and place approved by a majority of the bodies concerned in the trade for the holding of the proposed meeting on obtaining atleast the assent of one body ; to do his best to circulate such notice among the trade and to circulate handbills and give advertisements in the newspapers and further our Market shall be closed on the day of the proposed meeting from one hour before the time of the meeting to the hour that the meeting terminates, and also the ready market be closed on that day and for that purpose a request is made to the Bombay Cotton merchants' and Mukadams' Association, Limited.

Copies of the above Resolution be forwarded to each body connected with the Cotton Trade., awaiting the assent till Monday next, after which the work of the proposed meeting shall be proceeded with.

Yours faithfully,

BEGRAJ GUPTA,

Hon. Secretary.

T. 987

29th April 1920

To

The Honorary Secretary,

The Bombay Cotton Brokers' Association Limited,
Marwari Bazar, Bombay.

Dear Sir,

With reference to your letter dated 24th February 1920, I am directed by the Committee to request you to furnish them with a copy of the representation which you proposed to send to the Government with a view to abolish the Government control over the cotton trade.

They further think that as the Act is likely to be replaced by some permanent legislation within a year or so the Committee think it premature to give their views at this date.

Yours faithfully,

S. M. MUZUMDAR.

for Secretary.

APPENDIX No., 63

The Proposed revised system of Pre-Audit payments in Accounts Offices.

No. J.-16 of 1920.

Financial Department.

Bombay Castle, 1920.

From,

H. F. Knight, Esquire, I.C.S.,

Under Secretary to the Government of Bombay,

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Proposed revised system of pre-audit payments by the Government Accounts Offices.

Sir,

I am directed to forward a copy of the letter from the Government of India, Finance Department, No. 97-A. dated 5th February 1920 on the subject mentioned above, and to request that the Government of Bombay may be favoured with opinion of your Chamber by 15th March 1920.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible,

For Under Secretary to Government.

No. 97-A.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

From

E. N. BLANDY, ESQ., I.C.S.,

Under Secretary to the Government of India,

To

Local Governments and Administrations.

Delhi, the 5th February 1920.

Sir,

I am directed to address you regarding a proposed change in the system of pre-audit payments by Accounts Offices. The existing practice and the reasons for the change proposed are explained in the accompanying note by the Comptroller and Auditor General. I am to request that with the permission of His Excellency the Governor in Council on the proposal of the Comptroller General your views may be communicated to the Government of India as early as possible.

I have the honour to be,

Sir,

Your most obedient servant,

E. N. BLANDY.

Under Secretary to the Government of India.

PROPOSED REVISED SYSTEM OF PRE-AUDIT PAYMENTS IN ACCOUNT OFFICES.

The recent fraud in the Comptroller, India Treasuries' office having revealed the necessity for revision in the existing system of pre-audit payments by Account offices and for a more complete proof of payment in such cases, a revised scheme has been worked out by me in consultation with the Accountant General, Bengal, the Comptroller, India Treasuries, and the Solicitor to the Government of India, and is based on a report drawn up jointly by the Accountant General, Bengal and Comptroller, India Treasuries, and modified in certain respects with their concurrence. Both the Bengal Chamber of Commerce and the Calcutta Trades Association have been consulted in the matter so far as the claims of commercial firms dealing with Government departments are concerned. They have accepted the changes proposed.

2. Under the present system * a Government officer, a firm, or any person not in Government employ, presents for payment a bill complete in all respects, including an acknowledgment of the money and a receipt stamp when necessary. These bills are paid after audit and consequently a few days after their presentation. The presentor of each bill is therefore given a brass token when the bill is taken from him; the token bears a serial number which number is inserted on the corresponding bill.

* There are local variations in the system which meet some of the defects set out below but everywhere receipt is acknowledged before it takes place.

3. When the bills are ready for payment the payee or his collecting sircar reappears with the brass token by which the corresponding bill is readily traced and, what is more important, the

identification of the payee is facilitated. This token is surrendered at the cash counter. The payments are made in cash up to R100 (one hundred) and by cheques on the Presidency Bank for larger amounts. In the case of cash payments, the signature or mark of the person receiving the money is taken on the bill : but no written authority is produced by him to the effect that payment should be made to him and except for the fact that he surrenders the corresponding token, there is little to establish his identity. Cheques are, however, delivered merely on the surrender of the token and no written acknowledgment is taken from the collecting sircar, † although his name is recorded in the Cheque Delivery Register.

† In some cases an acknowledgment is taken.

4. The cash bills are stamped " paid " when the cash is handed over by the Cashier or his Assistant. The cheque bills are, on the other hand, stamped " paid " as soon as the cheques are written out although the delivery of the cheque does, in most cases, take place some days after. In either case, however, there is no evidence to show by whom—the Cashier or any of his Assistants—the payment was actually made or the token redeemed, and it is almost impossible to fix the responsibility in these matters in cases of dispute.

5. It is considered that the existing system is faulty in some respects and that it is necessary to mitigate some of the difficulties it involves. In the first place it is recognised that at one particular stage the transactions do not represent actual facts, in that a bill presented for payment contains a complete receipt, stamped if necessary, although payment is not expected nor made for some days after. The system was originally intended to apply to post-audit bills presented for immediate payment where the signature could justly represent a legal

quittance. But such a receipt could never stand as evidence of the payment of a bill disbursed some days after presentation and it is considered that the unreality existing at this stage of the career of a bill is a weak point in the existing system which it is necessary to alter.

6. Secondly, as payment is usually taken by an agent or a sircar, it is considered necessary that he should produce a written authority from his principal to make payment to him. This authority should contain the name and specimen signature of the collecting sircar to establish his identity beyond doubt. It is also considered necessary that the collecting sircar should give a written acknowledgment of the money or cheque and that his principal should finally acknowledge receipt of the same through his agent.

7. Thirdly, it is considered to be of great importance that there should be some documentary evidence to fix the responsibility for payment and for the withdrawal of the token from the person to whom payment is made. It is scarcely necessary to add that if a token is left over, even after the corresponding bill has been paid, it entitles its holder to prefer a second claim for the same bill.

8. Lastly, the necessity of a final audit of *payment* cannot be urged too strongly. The existing system prescribes a complete and effective audit of the claims in a bill but no rules are in existence under which the actual payment is subjected to audit, with the result that any malpractices in the cash department are not discovered until the mischief is beyond remedy.

9. It is accordingly proposed to make certain alterations, and the amended procedure proposed for adoption, is described below.

10. First, receipts or stamps will not be taken on the bills when originally presented, but that the party whether he be a Government officer, or a firm, or person not in Government employ—preferring a claim will, when presenting a bill, sign it merely in acknowledgment of the correctness of the claims entered therein. The bill-forms will be altered to suit this changed procedure.

The bills of firms or other persons unconnected with the Government service, making supplies or rendering services to Government Departments, when completed as above, will be submitted as hitherto, to the departmental officer, who will countersign them, if in order, and either send them on for payment to the Account Office direct or return them to the claimant for presentation at that office.

11. As at present, the presentor of a bill will be given a brass token which he will be expected to produce when he returns later on for payment. The importance of these tokens is to be noted, as they form an important means of identification. The necessity for keeping the tokens carefully will be impressed on all concerned. If a token is lost, one good means of identification ceases to exist.

12. Next, when a bill has been passed for payment by the Audit Department of the Account Office concerned, the fact will be intimated to the drawer of the bill by a memorandum* in the following form :—

* This memorandum need not be sent when the payment is by crossed cheque *vide* paragraph 23 below.

To

The
Messrs.

Dear Sir / Sirs,

Please note that your bill No. dated for Rs. on account of has been

passed for payment $\frac{\text{in full}}{\text{of Rs.}\_\_\_\_\_\text{only for the reason noted overleaf}}$

and that payment will be made to you or your collecting sircar on production of this office token bearing No. and in the latter case, this memorandum with the lower portion completed and signed by you.

(See paragraph 28 of this note).

A receipt in the accompanying form for the amount should be forwarded to this office *by post* as soon as the $\frac{\text{money}}{\text{cheque}}$ is received by you from your collecting sircar.

Yours faithfuly,

Assistant Accountant General

Assistant Audit Officer.

Office of the

The 1919,

Enclosure one.

Please $\frac{\text{pay in cash the sum of Rs.}}{\text{make over the cheque for}}$ on account of above bill to my collecting sircar whose name and specimen signature are given below.

Name of Messenger or Agent Signature

Signature of † do Designation

† [It is advisable that the Agent or Messenger should sign his name in the space above before the document leaves the custody of the payee, and in any case, the entries must be completed before it is presented at the Account Office.]

---

‡ This receipt should be stamped whenever necessary.

‡ Received $\frac{\text{Rs.}}{\text{a cheque No.}\_\_\_\_\text{for Rs.}}$ in payment of the above bill.

Messenger or Collecting Sircar or Agent.

Dated

Paid by me and received back the token No.

Cashier.

Paying clerk.

13. When a sircar is sent to collect the money, a literate sircar should be sent with bills and, as far as possible, the same man should always be sent to receive payment of the claims of any one party, as this helps identification in the Cash Department.

14. It is of the utmost importance that the party who has presented a bill for payment should communicate with the Audit Office if his books show that payment has not been made within a reasonable period—say a week—after receipt from the Audit Office of the intimation that the bill has been passed for payment.

15. When a sircar receives payment he will sign for the receipt of money or cheque made over to him. This receipt should be stamped whenever necessary. The question has been discussed whether and how far a sircar's signature can be taken as a legal quittance for the money or cheque made over to him as the agent of the Government officer, or firm, or other claimant concerned. The Government Solicitor is of opinion that so long as the sircar produces a clear authority from his principal to the effect that payment should be made to him, his quittance is binding on the latter. It is accordingly provided that the sircar's receipt should be stamped whenever necessary. The subsequent receipt from the Government officer, firm, etc., being only precautionary need not be stamped except when the payment is made by a crossed cheque as no stamped receipt is then taken from the collecting sircar, *vide* paragraph 23 below.

Such authority containing the name of the sircar should therefore appear on the memorandum suggested in paragraph 12 above, when presented at the Account Office. This authority should as far as possible be signed by the person who signed the original bill of claim.

In the case of salary and other personal claims of Government officers the endorsement should be either in favour of some well-known banker or agent or in favour of a personal servant named. Endorsements " to bearer " should be avoided in all cases.

16. Secondly, it will be incumbent on the Cash Department to exercise scrutiny over the receipts presented by the sircar, etc., before making the payment.

This scutiny will include—

(*a*) a comparison of the signature on the memorandum of authority with that on the bill.

(*b*) a comparison of the amount on the above memorandum with that on the pay order of the bill.

(*c*) a comparison of the signature of the sircar, with the specimen signature on the above memorandum.

(*d*) the withdrawal of the token bearing the same number as that given on the above memorandum and the bill.

17. Thirdly, the person making the payment will be responsible for the identification of the person to whom the money or cheque is handed over. Ordinarily the production of the above memorandum of authority and the corresponding token and the ability to sign in exact accordance with the specimen signature furnished will be regarded as sufficient ; but in case of doubt other measures will have to be adopted.

After making the payment and receiving back the token, the cashier or other paying clerk will sign in the space provided for the purpose in the above memorandum of authority. The memorandum of authority as thus completed will be

attached by the Cash Department to the corresponding bill.

18. The procedure now prescribed of treating a bill as "Paid" as soon as a cheque for it is drawn (*vide* Article 1025, Civil Account Code) requires modification so as to admit of the signature on a bill going to Cash Department for comparison with that on the memorandum of authority when payment is being made. The procedure prescribed in Article 1040, Civil Account Code, according to which on a cheque being drawn, the amount involved is debited to the service head affected and a per contra credit is afforded to the head "Cheques and bills—Preaudit cheques", will be retained; but the transaction will be recorded as above when the bill has been returned to the Accounts Department from the Cash Department after the cheque has been made over to the sircar and his receipt obtained.

19. To prevent a second cheque being written for the same bill it will be necessary to have two Impressing Stamps instead of one as at present—one stamp "Cheque drawn" to be entered by the cheque writer and another "Cheque delivered" or "Paid" to be put on by the Cashier when he has handed over the cheque in payment. Each cheque will bear two dates—one, the date on which it is written and another the date of its delivery—written thus $\frac{1st}{3rd}$ September 1919.

20. The existing practice of maintaining a stock register of the cheque forms and a plus and minus memorandum of the signed cheques in the hands of the cashier will be continued. Under this procedure the stock is reduced by the number of cheque forms actually used during the day and a corresponding addition made to the cashier's plus and minus memorandum.

It will however be necessary to combine the Cheque Bill Register (Form 138, Civil Account Code) with the Cheque Delivery Register and a single register may be maintained in the following forms:—

Cheque No.	Name of messenger to whom delivered.	Description of the charge.	Voucher No. of bill.	Amount.
				Rs. As. P.
1	2	3	4	5

The first two columns of the above register will be posted at the time the cheque is delivered and the remaining columns at the end of the day from the particulars of the bill. The total of this Register will supply the figure of "issue" for the Accountant General's Checks Register prescribed in Article 1034, Civil Account Code.

21. As a measure tending to the prevention of fraud, the issue of cheques for *all* payments would be ideal. This however has obvious practical objections, but the present limit of Rs. 100, up to which bills are paid in cash. (Article 1025, Civil Account Code) should be lowered. It is accordingly proposed that payment should be made by cheque for all claims of Rs. 20, and above, and that where possible, small bills presented by the same party at about the same time should be consolidated and one cheque drawn for the whole number.

If, however, the payment of any particular bill is desired by means of a separate cheque, the wishes of the payee will be met on a written request being made to that effect on the bill.

22. In view of obvious advantages, it is further proposed to issue crossed cheques in favour of any payee who may reasonably be expected to have a banking account, or who may request payment by crossed cheque. If however a payee expressly desires an open cheque, it will of course be given.

23. In all cases of payments by crossed cheques, there will be no risk of the money reaching dishonest hands, nor will there be any difficulty about evidence of payment. The precautions mentioned in paragraph 12 above of having a *fac simile* signature of the messenger or collecting sircar, duly attested by the drawer of the bill, and of comparing such signature with the signature of the person to whom the payment is actually made, can be safely dispensed with in these cases. It will suffice if on the original bill itself the following endorsement is made:—

Please pay by crossed cheque drawn in favour of $\frac{\text{self}}{\text{The Bank of}}$

Drawing officer.

The crossed cheque with a Form of the final receipt will be made over to the collecting sircar from whom no acknowledgment need be taken. The firm or the drawing officer, on receipt of the cheque through the collecting sircar, will return the final receipt (duly stamped whenever necessary) to the Audit Office.

24. The case of claims presented by banks has also been considered. Banks and large Agency firms collect the pay and other allowances of Government officer absent on leave or for other reasons. An officer not present at the station often leaves his bills signed beforehand and post-dated for collection, *vide* Article 30 (*a*), Civil Account Code, and Article 863, Civil Service Regulations,

The claims of officers thus absent are generally preferred on bills containing a signed receipt and an authority on the bill itself to pay a certain Bank or firm of Agents. The Government Solicitor is of opinion that the authority to pay a Bank is sufficient even though the officer does not sign a receipt in addition. The bank is actually the receiving authority and a receipt from it can be accepted as a legal quittance.

25. Most of the important banks have entered into a general bond of indemnity with Government and this will be retained.

26. Bills of claims for stores supplied or services rendered to Government Departments, or for payment without consideration (such as grants-in-aid, lawyers' fees) may also be submitted through a bank ; and in that case there will be an endorsement on the bill from its drawer to pay to the bank. In other respects the procedure for a bank will follow that sketched out above.

27. The necessity for great care in the custody of tokens, for a daily percentage check of the receipt and issue of tokens, and for a monthly census of tokens will be impressed on all concerned.

28. So far, the sircar's receipt is all that the Account Office will have taken. To complete the transaction it is necessary to have a receipt from the drawer of the bill himself, and this will be granted after the money or cheque has been handed over to him by the sircar. This receipt should be sent *by post* to the Accounts Branch (not the cash counter) of the Accounts Office from which payment has been received. The receipts may be in the following form, and will accompany

the memorandum of intimation– *vide* paragraph 12 above or the crossed cheque—*vide* paragraph 23 above—

Recieved *on from the Accountant General through my sircar the sum of Rs. in cash / by cheque on the bank of in full payment of this office / our bill No. dated for Rs. on account of

Stamp.

Signature

Designation

Dated 19

---

* (The date on which the money or the cheque was actually received by the Sircar from the Account Office, and not the date on which it was credited to the office or firm, should be entered here.)

Note.—This receipt need not be stamped (except when payment is desired by crossed cheque, as no stamped receipt is then required from the collecting sircar).

These receipts will be pasted on by the Accounts Branch to the corresponding bill.

29. Lastly, there will be a final audit of the *payments* in the Accounts Branch.

This will consist of the following checks :—

(*a*) that the pay-order is genuine ;

(Specimen signature of officers authorised to pass bills will be retained. A comparison of the signature with that on the bill will in most cases suffice.)

(*b*) that the endorsements on the bill, if any, are in order ;

(*c*) that a memorandum of authority in the prescribed form to pay to the collecting sircar has been produced and is in order ;

(*d*) that the Sircar has signed the above memorandum in acknowledgment of the money or the cheque and that his signature is in order ;

(*e*) that the Cashier or other paying clerk has signed the certificate of payment ;

(*f*) that a final receipt for the full amount has been received from the drawer of the prescribed form, and, if not, to issue reminders where necessary till they are sent.

Checks (*c*), (*d*) and (*e*) are not necessary in the case of payment by crossed cheque.

30. The changes proposed above will apply, *mutatis mutandis*, to pay bills which are presented at district treasuries in advance of the due date (Article 26, Civil Account Code).

31. The procedure with regard to Pension bills will, however, be left unaltered, as they are paid in most cases immediately on presentation.

M. F. GAUNTLETT.

T. No. 757.

19, Bank Street, Fort.

Old Telephone Buildings,

9th March 1920.

From

J. K. Mehta Esqr., M. A.,

Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

To,

H. F. Knight, Esquire, I.C.S.,

Under Secretary to the Government of Bombay;

Financial Department,

BOMBAY.

Sir,

With reference to your letter without date No. J-16 of 1920 received by me on the 1st instant, I am directed to inform you that my Committee see no objection to the proposed revised system of pre-audit payments by Government Accounts Offices being adopted. If there are found any difficulties or objection in future these will be communicated to the Government.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA

Secretary.

APPENDIX 64

The amount of remittances from India to England through the Post Offices.

Telegram, 20th February 1920.

To

Finance

DELHI.

Committee of the Indian Merchant's Chamber request the Finance Department to furnish by wire information regarding amount of remittances on London through the Post Office since the beginning of the year.

Jehangir Bomanji Petit, Chairman.

No. 450.

Government of India.

Department of Commerce.

Simla, the 15th March 1920.

From

J. C. Nixon, Esquire, I.C.S.,

Under Secretary to the Government of India,

To

The Chairman,

Indian Merchants' Chamber,

BOMBAY.

Sir,

In continuation of my letter No. 1675-D.,* dated the 25th February 1920, I am directed to say that the total number and

* Acknowledgement of the telegram.

value of sterling money orders drawn in India and Burma on the United Kingdom in January and February last are as follows:—

	Number.	Value.
January	18310	£ 126,220
February	42505	£ 864,000

I am to add that it is not possible to give the figures showing remittances by means of British Postal Orders, as such orders are payable not only in the United Kingdom but in all British Possessions and Colonies including India. I am also to say in explanation of the delay that the figures here had to be collected from several sources.

I have the honour to be,

Sir,

Your most obedient servant,

J. C. NIXON.

Under Secretary to the Government of India.

APPENDIX 65

Proposal to amend the Negotiable Instruments Act with a view to providing for delay or non-presentment for payment of negotiable instruments.

No. H. 6 of 1920.

Financial Department.

Bombay Castle, 1st March 1920.

From,

H. F. Knight, Esqr., I. C. S.,

Under Secretary to Government of Bombay,

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Proposal to amend the Negotiable Instruments Act with a view to providing for delay or non-presentment for payment of negotiable instruments.

Sir,

I am directed to forward a copy of the letter No. 1130-D. dated 11th February 1920 from the Government of India on the subject mentioned above, and to request that the Government of Bombay may be favoured with the opinion of your Chamber by 15th March 1920.

I have the honour to be,

Sir,

Your most obedient servant,

SHAMRAO D. MANKAR.

For Under Secretary to Government.

No. 1130-D.

Government of India.

Department of Commerce and Industry.

Delhi, the 11th February 1920.

From

E. C. Ansorge, Esquire, I. C. S.,

Under Secretary to the Government of India ;

To

The Chief Secretary to the Government of Bombay.

Sir,

I am directed to address you on the subject of a suggested amendment of the Negotiable Instruments Act, XXVI of 1881.

2. Chapter V of the Negotiable Instruments Act contains rules for the presentment of promissory notes, bills of exchange and cheques, but there is no provision in the Act on the lines of that contained in section 46 (1) of the English bills of Exchange Act, 1882, (45 and 46 Vict., C. 61), excusing delay in making presentment for payment when the delay is caused by circumstances beyond the control of the holder. Indian Bills of Exchange Act 1916 (XIV of 1916), does it is true, provide for delays in presentment of bills on account of the War, but this legislation is only a War measure and does not provide for the general cases covered by the English Act. The Government of India, therefore, incline to the opinion that the Negotiable Instruments Act should be amended by the addition of a section on the lines of section 46 (1) of the English Bills of Exchange Act of 1882.

3. Before arriving at a decision on this proposal the Government of India would be glad to be favoured with the views of His Excellency the Governor in Council and those of the commercial public in this connection ; I am accordingly to request that, if His Excellency the Governor in Council has no objection, the Chamber of Commerce may be consulted as to the necessity for the proposed amendment and their views may by communicated to the Government of India together with the opinion of the Local Government.

I have, etc.,

(Sd.) E. C. ANSORGE,

Under Secretary to the Government of India.

T. 756.

19, Bank Street, Fort.

Old Telephone Buildings.

9th March 1920.

From

J. K. Mehta, Esquire M.A.,

Secretary, the Indian Merchant's Chamber & Bureau,

BOMBAY.

To,

H. F. Knight, Esquire, I.C.S ,

Under Secretary to the Government of Bombay,

Financial Department.

BOMBAY.

Sir,

With reference to your letter of the 1st instant No. H. 6 of 1920, I am directed to inform you that my Committee

approve of the proposal to amend the Negotiable Instruments Act with a view to providing for delay of non-presentment for payment of Negotiable instruments.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 66

Resolution passed by the Southern India Hide and Skin Merchants' Association.

THE SOUTHERN INDIA SKIN AND HIDE MERCHANTS' ASSOCIATION.

33, Errabalu Chetty Street,

MADRAS.

8th May 1920.

No. 209 of 1920.

From

The President,

Southern India Skin and Hide Merchants' Association,

MADRAS.

To,

The Secretary,

The Indian Merchants' Chamber & Bureau,

No. 19, Bank Street, Fort, Bombay.

Sir,

I have the honor to enclose herewith copy of Resolutions passed unanimously at the Second Annual General Meeting

of the Association held on the 30th ultimo with the request that you will be good enough to co-operate with and assist us in the steps that are being taken by our Members to safeguard the interests of Tanners and Tanning Industry of this Country.

I have the honor to be,

Sir,

Your most obedient servant.

(Sd.) ILLEGIBLE.

for President.

SOUTHERN INDIA SKIN AND HIDE MERCHANTS' ASSOCIATION, MADRAS.

NOTICE.

The following Resolutions passed unanimously at the last Annual General Meeting of the Southern India Skin and Hide Merchants' Association, Madras, are circulated to Members and others for information and guidance. It is requested that such of those as have contracts of Tanned Skins and Hides booked before 1st May 1920 will immediately send in writing to the address of the *Honorary Secretary, Southern India Skin and Hide Merchants' Association, 33, Errabalu Chetty Street, George Town, Madras,* full particulars of such contracts, for being recorded in the books of the Association:—

RESOLUTIONS

Resolved:—(1) That from 1st May 1920 shipments from all Indian Ports of Tanned Skins for a period of three months and Tanned Hides for a period of six months be totally suspended, except in execution of orders already booked

before that date, such orders to be recorded forthwith in writing at the Office of the Association by the parties concerned.

(2) That no firm offers be made or orders accepted for a period of 3 months for Tanned Skins and for a period of 6 months for Tanned Hides from 1st May 1920.

(3) That sales of Rejections of Tanned Skins and Hides for use within India can be made, subject to the condition that if it is found that such goods are being exported from other Indian ports, then even such local sales of Rejections be stopped.

(4) That the above stoppage of shipments of Tanned Skins and Hides be reconsidered, if European Shippers and others do not co-perate with the Association in this matter.

(5) That beginning with May Sales, Tanned goat and sheep Skins should not be sold below London January Sale prices, Tanned Sheep below London March Sale prices and Tanned Hides below London 5th March Sale prices, and that shippers and other consignors should immediately advise their London Agents by wire to this effects.

(6) That the Agents and Brokers at London be requested to put not more than 100,000 Madras Tanned Hides for sale at each auction.

(7) That this information should be intimated to all shipping firms and commercial bodies connected with the trade.

(8) That from 1st May 1920 no Hides should be soaked for tanning purposes, but in cases where tanners have Raw Hides already in stock purchased prior to 1st May, the same could be soaked up till end of May. Even such Raw Hides previously bought should not be put to tanning on or after 1st June 1920, but should be preserved in the raw state.

(9) That the question of tanning of Skins be held over for consideration immediately after the results of Sales of the 3rd May auctions are known.

(10) That copies of the above Resolutions be printed in English and Tamil and circulated.

S. I. SKIN & HIDE MERCHANTS' ASSOCIATION, MADRAS.
1st May 1920.

M. JAMAL MOHAMED,
President.

APPENDIX 67.

Critical position of Indians in East Africa.

SIR FAZALBHOY CARRIMBHOY,

BOMBAY.

Interview with Milner on 19th regarding East Africa grievances unsatisfactory. Milner noncommittal. Fear will yield strong pressure anti-Indian interests. Please do telegram to Chronicle. Please do everything possible your side help us. Matter should be brought before council. Situation very critical. Colonial office anxious reach dicision before matter gets publicity. Strong pressure from India therefore essential.

JEEVANJEE.

Bombay 30th April 1920.

My dear Mr. Mehta,

Sir Fazalbhoy has asked me to send you the accompanying telegram. He wishes that you should send, on behalf of the chamber, a strong telegram to Sir George Barnes on the matter.

Yours etc.

D. R. D. SETNA.

The following telegram was forwarded by the Vice-Chairman to the Hon'ble Sir George Barnes K. C. B. Member for Commerce and Industry, Government of India, Delhi, on the 1st May 1920.

"Committee Indian Merchants' Chamber view with regret attitude of Colonial office especially the non-committal reply of Lord Milner to the members of East African Indian Delegation. East Africa situation growing very critical. Indian interest seriously at stake. Committee respectfully but firmly urge Government of India to represent the gravity of the situation to the Colonial office before any final decision is arrived at. S. E. Warden, Vice-Chairman, Indian Merchants' Chamber."

No. 1816.

Government of India.

Department of Commerce.

Simla, the 6th of May 1920.

From,

R. B. Ewbank, Esquire, I.C.S.,

Deputy Secretary to the Government of India,

To

The Vice-Chairman,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed to acknowledge the receipt of your telegram, dated the 1st May 1920, addressed to the Hon'ble Sir George Barnes, representing the critical position of Indians in British East Africa, and to say that the question has for some time past, engaged the serious consideration of the Government of India and that they are in constant communication with the Secretary of State on the subject.

2. You are no doubt aware that the question is now being discussed by Lord Milner with the Governor of Protectorate in London. The Government of India have forwarded to the Secretary of State all the important representations received on behalf of the Indians with such remarks as they are in a position to make. The Colonial Office has given an assurance that full weight will be attached to the views of the Government of India with regard to Indian policy in British East Africa; and the Secretary of State is watching the situation on behalf of India. A deputation has been sent to London by the Eastern Africa Indian National Congress to represent their views to the Colonial Office.

3. The Government of India have also deputed Sir Benjamin Robertson to visit British East Africa as their representative and to make a report to them on the position of Indians there. In the absence, however, of the Governor of the Protectorate Sir Benjamin's discussions with the authorities in British East Africa will be informal,

I have the honour to be,
Sir,
Your most obedient servant,
R. B. EWBANK,
Deputy Secretary to the Government of India.

APPENDIX No., 68

Special Committee's Report on the establishment of a Chemical Service for India.

Navsari Chambers,
Hornby Road
Fort,
Bombay, 11th May, 1920.

To,

The Secretary,
Indian Merchants' Chamber.
BOMBAY.

Dear Sir,

With reference to the recent publication of the report of the Special Committee appointed by the Government to make suggestions regarding the formation of a Chemical Service for India, I find that the scheme as outlined in the report is not likely to help the advancement of the older industries or the creation of new ones. The whole scheme is a complicated scheme and difficult to work out in actual practice. The scheme seems to have been devised with a view to create institutions, where highly qualified chemists would be given problems of research, mainly of an industrial character. But the organisations as suggested are far too complicated and costly to bring about any result of a practical character. There would always be considerable delays in getting things done by this Service, and if it is established, is will be some years before any satisfactory results could be made available for industries. It is also very doubtful whether the co-operation between the manufacturers and the Government officers would be forthcoming as anticipated in the report. The whole report

is based on the assumption that such cooperation would be not difficult to bring about. Yet those who are in daily touch with various industries fully realise how difficult it is. The human element plays a strong part in such combinations, and unless a harmony exists between the research worker and the management, no useful purpose is served by the undertaking of the research work. You must also have noticed from the recent flotations that in the majority of cases, the new undertakings have been mostly spontaneous, and hardly one of them owes its rise to Government aid or Government publications.

While I admit that Government aid is necessary for certain industries, it is open to serious doubts whether that aid should take the form of elaborate service such as is proposed by the Committee. In the note of dissent attached to the publication by Sir P. C Ray, a strong case is made out against our having such a service. Sir P. C. Ray recommends that the help which the Government wishes to give to the chemical industries should be given to the existing Universities with a view to give them greater facilities for post-graduate research work, as is done in other countries. This is a very sound recommendation, and I have to request your Committee to consider this matter in the light of the recommendation made by Sir P. C. Ray, and request the Government not to take any action on the report till the new Councils have met. You know very well that industries are classed as "transferred" subjects, and under the circumstances, the report may be left over for the consideration of the new Council.

As the report is just out, and as it is likely that the Government may take action at an early date, may I request you to treat the matter asurgent, and do the needful in the matter ?

Yours truly,

KAPILRAM H. VAKIL.

T. 1278.

7th July 1920.

From,

J. K. Mehta, Esquire, M.A.,

Secretary, Indian Merchants' Chamber & Bureau,

BOMBAY.

To,

The Secretary,

Board of Industries & Munition,

SIMLA.

Sir,

The Committee of this Chamber have perused with interest the report of the Chemical Services Committee published recently. In their evidence before the Indian Industrial Commission, my Committee had proposed the establishment of a Central Research Institute for the whole of India and Technological Institutes in different Provinces, suggesting at the same time that the Central Research Institute should be under the Imperial Commerce and Industry Department of the Government of India, while the different Technological institutes should be under their respective Provincial Departments of Industries. It appears from the report of the Chemical Services Committee that their main suggestion is the institution of an All-India Chemical Service, having as its primary objective the encouragement of Industrial Research. This recommendation is strongly opposed by so great and distinguished an authority as Sir P. C Ray, In view of the fact

that such evidence as may have been taken on the point, has not been published, it is difficult for my Committee to judge as to whether such a service is essential and beneficial for the industrial interests of this country. It has to be remembered that "industries" under the Reform Act, are to be a "transferred" subject. The new Indian Legislative Assembly will have a majority of elected members; and as such, be atleast in theory, a body representative of the people. My Committee therefore suggest that action on this matter should be deferred till the new Councils are formed. The report of the Chemical Services Committee may then be submitted to those Councils and action taken on the lines approved of by them. My Committee do not know if the Government propose to refer the suggestions of the Chemical Services Committee to different Commercial Associations in the country for their opinion. They would like to emphasise the necessity of such a reference specially in view of the fact that the action taken upon some of the recommendations of the Currency Committee without reference to public opinion, has led to disastrous results. The proposals of the Indian Industrial Commission also appear to have received a more or less similar treatment, only some of them having been referred to commercial bodies for their opinion. Even with regard to this reference to commercial bodies, different Provincial Governments have adopted different method. Some of them have consulted commercial bodies in their Provinces; while others have not. It is to be hoped that with regard to the report of the Chemical Services Committee, all this will be avoided and the commercial and industrial opinion of the country consulted. The views of the commercial and industrial community that may be thus obtained as well as the Report of the Chemical Services Committee may then be placed before the New Councils for an expression of

their opinion. It may be mentioned in passing, that my Committee were not consulted by the Chemical Services Committee with reference to the questionnaire; and that as far as they are aware, the selection of witnesses before the Committee, was also made without any reference whatsoever to representative commercial bodies.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX, 69

Enfranchisement of Indian State Subjects.

No. 1081-R.

Reforms Office,

Poona, 6th June 1920

From

The Honourable Mr. C. N. Seddon, I. C. S.,

Reforms Commissioner.

To,

The Chairman,

Indian Merchants' Chamber & Bureau.

Sir,

I have the honour to forward herewith a copy of the Electoral Regulations for the conduct of elections for the Bombay Legislative Council for your information and guidance. You are the Returning Officer for the Indian Merchants'

Chamber and Bureau Constituency which is to elect one member to the Council.

2. Part II contains provisions as to the preparation and publication of Electoral Rolls, the method by which claims and objections are to be made and disposed of, and the publication of the amended roll upon which the elections will be conducted. These provisions are intended for the general electorates, and Part VIII shows the modifications required for Commerce and Industry Constituencies.

3. You will observe that the simple procedure followed in the present elections is not quite adequate for the new Council. The members of your Chamber are electors unless they suffer from some disability under Rule 7 (1) of the Government of India Rules which are being published in the Gazette of India and the Bombay Government Gazette. It may happen that some members are not, for example, British Subject. In that case they are not qualified to vote, and you should not enter their names in your roll. I attach a copy of a definition on this subject, and would add that subjects of Native States are not British Subjects. Now it is necessary to provide and appeal to a Judicial authority in case any member wishes to dispute the correctness of omitting his name, or in case any member thinks it necessary to object to the correctness of the inclusion of any particular person's name. The Revising officer is this Judicial authority, and in the case of your Constituency he is Chief Judge of the Court of Small Causes, Bombay.

4. Please prepare the electoral roll at your convenience and arrange to publish it at your headquarters by affixing a copy of it to the ordinary notice board on a date to be communicated to you shortly. I intended that this should be the 15th July, but as publication cannot be made until the Secretary of State has finally sanctioned all the Rules and it now

appears that this sanction is not likely to be given until the end of July or later, it is necessary to postpone this date, and I anticipate that it will be some time in August. Coincidently with publication you should publish the notice referred to in Part II. 4 (1). I forward a copy of a suitable notice. Within the time fixed all claims and objections have to be sent in. About a month will be allowed for the disposal of such claims and objections, and the Revising officer will let you know the results of his decisions (if any). Thereafter on a date to be fixed and communicated to you later on, you should publish the amended roll, and this amended roll is then final, and conclusive evidence for the purpose of determining whether a person is, or is not, an elector.

5. The Regulations will show you the general provisions as to operations subsequent to the preparation of the electoral roll. I shall probably address you from time to time as occasion may arise and shall be glad to reply to any questions you may desire to put me. For your information I may observe that we intend to hold the elections for all Constituencies about the end of the first half of November, that is to say directly after the Divali holidays.

I have the honour to be,

Sir,

Your most obedient servant,

(Sd.) C. N. SEDDON.

Reforms Commissioner.

Reform.

Status of British subjects and subject of Native States.

Government of Bombay.

Reforms Office.

Circular No. 143-R.

Bombay, 20th February 1920.

The following note on the status of British subjects and the subjects of Native States is sent for information:—

1. A British subject is either a natural-born British subject or naturalised.

2. (1) Natural-born British subjects are defined in section 1 of 4 and 5 Geo. 5, C. 17. which runs as follows:—

"1. (1) The following persons shall be deemed to be natural-born British subjects, namely:—

(a) Any person born within His Majesty's dominions and allegiance and,

(b) Any person born out of His Majesty's dominions whose father was a British subject at the time of that person's birth and either was born within His Majesty's allegiance or was a person to whom a certificate of naturalization had been granted; and,

(c) Any person born on board a British ship whether in foreign territorial waters or not:

Provided that the child of a British subject, whether that child was born before or after the passing of this Act, shall be deemed to have been born within His Majesty's allegiance if

born in a place where by treaty, capitulation, grant, usage, sufferance, or other lawful means, His Majesty exercises jurisdiction over British subjects.

(2) A person born on board a foreign ship shall not be deemed to be a British subject by reason only that the ship was in British territorial waters at the time of his birth.

(3) Nothing in this section shall, except as otherwise expressly provided, affect the status of any person born before the commencement of this Act."

(2) Aliens are naturalised under section 2.

3. With reference to sub-section (3) of the above quoted section, under the law existing prior to the passing of 4 and 5 Geo. 5, C. 17 on the 7th August 1914 the following were deemed to be British subjects:—

(1) A person born within the British dominions:

(2) A person born on board a British ship:

(3). A person born out of the British dominions, whose father was at the time of birth of such person a British subject:

(4) A person born out of the British dominions, whose father was a British subject under the provisions of clause (3):

(5) A person naturalised under the Naturalization Act, 1870:

(6) A person who during infancy became resident in the United Kingdom with a naturalised parent:

4. A person naturalised under Act 30 of 1852 is in British India to be deemed a British subject.

5. A subject of a Native State is not a British subject.

(Sd). C. N. SEDDON,

Reforms Commissioner, Bombay.

To,

The Commissioner in Sind,

The Commissioner, N. D.,

etc., etc.,

No. T/1199.

25th June 1920.

From,

J. K. Mehta, Esq. M. A.,

Secretary, The Indian Merchants' Chamber & Bureau,

BOMBAY.

To,

The Honourable Mr. C. N. Seddon, I.C.S.,

Reforms Commissioner,

POONA.

Sir,

I am directed to acknowledge the receipt of your letter of the 9th instant No. 1081-R. My Committee deeply regret to note that the disability imposed by Rule 7 (1) of the Government of India Rules is made applicable to members of this

Chamber, thought it is a special constituency. This disability, even in the case of general constituencies is, in the opinion of my Committee, unfair and unjust and should be removed at once. Although owning allegiance to their own chiefs and technically under them, the subjects of Indian States have always been in effect and practice regarded as British subjects. In any case, they have invariably enjoyed all the privileges and willingly undertaken all the responsibilities of British subjects. They pay all the taxes of British India and are amenable to all the laws thereof. They own valuable properties, carry on an extensive trade, and are in charge of important industries in British India. They have always been ready to respond to calls for public purposes made on them either by Government or the people. They have in the past become members of the Municipal and local Boards, Provincial and Imperial Legislative Councils and even of Provincial Executive Councils and of the Council of the Secretary of State. They practise as Barristers, Advocates, Solicitors and Pleaders in all British Courts. They are appointed Justices of the Peace and Honorary and Stipendiary Magistrates. In short, there is hardly any office which is open to British subjects for which they are not eligible.

It must also be borne in mind that every ruler of a protected Indian State owes allegiance to British Crown. It follows, therefore, that the subjects of a protected Indian State owe allegiance not only to the chief under whom they live but also to the British Crown to which their own chiefs are subordinate. This opinion of my Committee has the support and high authority of such eminent administrators as Sir William Lee Warner and Mr. Tupper who are known to have given expression to precisely the same view.

My Committee are accordingly of opinion that it is extremely unfair that the subjects of Indian States should be deprived under the new Act of the right which they now enjoy of standing as candidates and voting at Council elections. The non-enfranchisement of the subjects of Indian States under the new Act will mean at least in this city the disenfranchisement of thousands of citizens who are among some of the wealthiest, most intelligent and enterprising of His Majesty's subjects. It is no exaggeration to say that the subjects of Indian States have very largely contributed to the building up of the present trade and industry of this city and Presidency: and it is natural therefore that a large number of members of this Chamber belongs to this class. The disability referred to by you in your letter under reply, if put into practice, and the injustice arising therefrom, will operate with extreme harshness, particularly in the case of a Commerce and Industry constituency like this Chamber.

Under these circumstances my committee beg most earnestly to request the Government to waive the question of disability under Rule 7 (1) with regard both to general constituencies and this constituency. In case the Government are unable to accede to this request, my Committee would like to send a deputation to wait upon His Excellency the Governor in Council and to explain the whole situation to him and the Council.

I beg to remain, etc.

J. K. MEHTA,

Secretary.

No. 1355-R.

From,

The Honourable Mr. C. N. Seddon, I. C. S.,

Reforms Commissioner.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Poona, 26th June 1920.

Sir,

I have the honour to acknowledge your letter No. T-1199, dated the 25th instant.

2. I think by now you will have received the latest copy of the Electoral Regulations. What I shall be glad to know is whether you have any difficulty about the preparation of the electoral roll on the Rules at present laid down; also whether the Regulations, Part VIII, present any particular difficulty regarding which you want instructions or advice.

3. I quite understand that many members of your Chamber may disapprove of the diability imposed by Rule 7 (1) of the Government of India Rules. I may further frankly admit that whole matter is a debatable one, regarding which every body is entitled to his own opinion. At the same time there are reasons of weight to support the decision which has been come to by the Government of Bombay. Their decision was arrived at after giving the matter careful consideration, and I may add for your information that it has been supported by the Majority of the non-official Advisory Committee.

4. In any case I am afraid that there will not be much use in sending a deputation to wait upon His Excellency the Governor. You are aware no doubt that our electoral rolls

have been almost completed and that they are awaiting a few final operations and the sanction of the Secretary of Sate to the Rules which will form their legal basis. As soon as that sanction is obtained we shall publish them; and no delay is possible, because the new Council must meet before, or about, Christmas, and there are many elaborate stages to be gone through before this meeting becomes an accomplished fact. Supposing now for a moment that the Government of Bombay were ready to go back upon their decision (which, however, is hardly likely), you will easily see that the inclusion of Native States' subjects would upset all the rolls that we have already prepared, and that it would be an almost impossible task to prepare fresh rolls in time for publication on a date which would be early enough to allow of our holding the elections in time for a meeting of the Council next December. In these circumstances it appears to me that your Chamber should endeavour to reconcile itself, for the present at all events, to the decision come to by Government.

I have the honour to be,
Sir, etc.
(Sd). C. N. SEDDON,
Reforms Commissioner.

TELEGRAM.

State.

Express.
To

All Collectors and Mr. Guzdar.

1564-R. Government have finally ordered inclusion Native State Subjects in electoral rolls.

REFORMS.

Poona, 15th July 1920.

(Sd) P. R. KAPADIA.
For Reforms Commissioner.

No. 1566-R.

Reforms Office,

Poona, 15th July 1920.

Copy forwarded to the Chairman, Indian Merchants' Chamber and Bureau for information.

(Sd)—P. R. KAPADIA

For Reforms Commissioner.

APPENDIX 70

Chamber's representation on the Council of State.

Telegram, 14-6-1920.

Secretary,

Reforms Department, Government of India,

SIMLA.

The Committee of the Indian Merchants' Chamber are grateful for the privilege given to them of returning a representative to the Bombay Legislative Council and the Indian Legislative Assembly. They however deeply regret that unlike English and foreign commercial interests they have not been given a similar right of election to the Council of State. Indian Commerce thus remains wholly unrepresented in the Second House to the detriment of the best interests of the country. My Committee earnestly hope that this omission will be remedied at an early date.

Mehta, Secretary, Indian Merchants' Chamber.

No. 627-F.

Government of India.

Reforms Office.

From

G. H. Spence, Esqr., I. C. S.,

Under Secretary to the Government of India.

To

The Secretary,

Indian Merchants' Chamber,

BOMBAY.

Reforms Office.

Franchise.

Simla, June 17, 1920.

Sir,

In acknowledging your telegram of June 14, 1920, in which you ask for the representation of the Indian Merchants' Chamber on the Council of State I am directed to explain that the Government of India contemplate that Indian Commerce should have special representation in the Legislative Assembly and European Commerce in the Council of State. As will be seen from the draft rules which have been published for information, European Commerce as such is not represented on the Legislative Assembly.

I have the honour to be,

Sir,

Your most obedient servant,

G. H. SPENCE.

Under Secretary to the Government of India.

APPENDIX 71

Appointment of Sir Fazulbhoy to the Imperial Economic Conference.

14th June 1920.

From

J. K. Mehta, Esquire, M.A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Secretary,

Finance Department,

Government of India,

SIMLA.

Sir,

I am directed by the Committee of this Chamber to express their regret at the policy of "nominating" representatives of India at International Conferences having been again followed with regard to the selection of a representative of this country at the International Economic Conference. The principle of nomination was adopted in connection with previous important Conferences and particularly the Peace Conference at Paris, evoking a strong protest from public bodies. It is a matter of great regret that notwithstanding this protest, the principle has again been followed with regard to the International Economic Conference which will be sitting on Brussels very shortly.

My Committee hope that in future the policy of nomination will be abandoned and the policy of election adopted instead.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 72

Representative of the Chamber on the Bombay Port Trust.

Secretary's Office,

Ballard Road,

Fort.

Bombay 16th June 1920.

No. P- 2243.

To

The Secretary,

Indian Merchants' Chamber & Bureau.

Sir,

I am directed to inform you that Mr. Manu Subedar, B.A., B. SC. has obtained from the Trustees leave of absence from the Meetings of the Board for 4 months from 16th June 1920.

2. The duty of electing another representative to act as a Trustee in place of Mr. Subedar, therefore, devolves upon the Chamber under Section 13 (2) of the Bombay Port Trust Act, 1897.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

Secretary.

T. 1223-24.

29th June 1920.

To,

The Secretary,

The Bombay Port Trust,

BOMBAY.

Sir,

With reference to your letter of the 16th inst. No. 2243 I am directed to inform you that the Hon'ble Mr. Purshottamdas Thakoredas, C. I. E., has been elected as a representative of this Chamber on the Bombay Port Trust in place of Mr. Manu Subedar who has been on leave of absence for four months.

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

Copy forwarded with compliments to the Hon'ble Mr. Purshottamdas Thakoredas, C. I. E., M. B. E. for favour of information.

J. K. MEHTA.

Secretary.

APPENDIX 73

Indian Situation in East Africa and Fiji.

The Imperial Indian Citizenship Association,

359, Hornby Road, Fort, Bombay.

15-6-20.

To,

The Secretary,

The Indian Merchants' Chamber and Bureau.

Sir,

Pursuant to a Resolution adopted by the Managing Committee of this Association held on Friday, the 11th inst. I beg to invite your Association to join in calling a public meeting of the Citizens of Bombay to give expression to Indian Public Opinion on the Indian situation in East Africa and Fiji. My Committee consider the matter to be very urgent, requiring the most careful consideration at the hands of the leaders of all shades of public opinion; and trust that your Association will not fail to realize that in matters like these the combined efforts of all Political parties can alone be effective. If your Association decide to join the movement and accept my Committee's invitation, I shall be much obliged if they dupute a representative to co-operate with the Committee, which my

Committee have appointed, consisting of Messrs. M. K. Gandhi, Natrajan and myself, to draft the resolutions to be placed before the proposed meeting and to make all other necessary arrangements therefor.

As my Committee consider that the matter must be promptly dealt with, it is requested that you will send your reply on or before Saturday the 19th inst.

I have the honour to remain,

Sir,

Your most obedient servant,

J. B. PETIT.

For Self & Co-Secretaries.

T. 1183.

22nd June 1920.

To,

The Honorary Secretaries,

The Imperial Indian Citizenship Association.

359, Hornby Road, Fort,

BOMBAY.

Dear Sir,

With reference to your letter dated 15th instant, I am directed by my Committee to say that they are in perfect agreement with your proposal to call a public meeting of the Citizens of Bombay to give expression to Indian public opinion on the Indian Situation in East Africa and Fiji.

I am further directed to inform you that they have nominated the following two gentlemen to co-operate with the Sub-Committee appinted for the purpose.

(*i*) Mr. Sorabji Edulji Warden.

(*ii*) Mr. Mavji Govindji.

Yours faithfully,

J. K. MEHTA.

Secretary.

APPENDIX 74.

Views of the Chamber on the recommendations of the Indian Cotton Committee.

No. 103 of 1920.

Revenue Department.

Bombay Castle, 22nd April 1920.

From

H. F. Knight, Esquire, I.C.S.,

Under Secretary to the Government of Bombay.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Views of the Government of India on certain recommendations of the Indian Cotton Committee.

Sir,

I am directed to forward, for your information, a copy of Government Order, Revenue Department, No. 1243 dated 17th April 1920 on the subject mentioned above.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

For Under Secretary to Government.

Trade and Commerce.

Views of the Government of India on certain recommendations of the Indian Cotton Committee.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT

Order No. 1243.

Bombay Castle, 17th April 1920.

Letter from the Government of India, Department of Commerce and Industry, No. 1718-D. dated 28th February 1920:—

"With reference to the Resolution in the Department of Revenue and Agriculture No. 674—191 dated the 2nd August 1919, I am now directed to address you on the subject of the recommendations contained in paragraphs 205, 212, 213, 223—229 and 231 of the Report of the Indian Cotton Committee (Chapter XVI).

"2. In paragraph 205 of the Report the Committee suggest that cotton markets on the Berar system should be established in other provinces as soon as possible, more especially in the cotton tracts of the Bombay Presidency (except Sind), the Madras Presidency (with the exception of the Coconada tract) and the Punjab Canal Colonies. In the opinion of the Government of India this recommendation is clearly sound and they hope that the Local Governments and Administrations concerned will give it their careful attention and take necessary steps to give effect to the Committee's proposal, with the aid, where necessary, of local legislation.

"3. The Committee recommend in paragraph 212 of their Report the universal use of a cotton maund of 28 lbs., but it appears from paragraph 213 of the Report that they do not consider any separate legislation to be necessary for the purpose. Apparently all that they intend is that standard weights should be prescribed by Local Governments as one of the conditions of the licensing of gins and presses, and further that in local legislation for the establishments of cotton markets on the Berar system power should be taken to prescribe standard weights for use in those markets. The Government of India think that these proposals are on sound lines and should receive the careful consideration of Local Governments and Administrations.

"4. Paragraphs 223 to 229 of the Report deal with the important question of the licensing of gins and presses, and after giving the matter their most careful consideration, the Government of India are of opinion that the conclusions arrived at by the Committee in this respect are entirely sound. They accordingly propose, subject to certain minor modifications indicated below and to any observations which the Local Governments and Administrations may have to make, to accept and

to put into force the Committee's proposals.

"5. The Government of India agree with the Indian Cotton Committee that, if effect is to be given to these proposals it will be necessary to undertake special Imperial legislation for the purpose. They also agree with the suggestion made in paragraph 227 of the Report that all gins and presses should be brought within the provisions of the Indian Factories Act, 1911 (XII of 1911), irrespective of the number of workpeople they employ. It must be realised, however, that this action will undoubtedly throw a considerably increased burden of work on the local factory inspection staff and the Government of Bombay will, no doubt, separately consider what increase, if any in the number of factory inspectors will be necessary for this purpose in the Bombay Presidency.

"6. The recommendations made by the Indian Cotton Committee in regard to the conditions on which licenses should be granted to gins and presses—vide paragraph 225 of the Report—appear to the Government of India to be generally suitable, with the possible exception of condition (m), viz., that owners of ginning and pressing factories should undertake to work for at least eight weeks in the year, unless prevented by causes beyond their control. The necessity for this condition the Government of India consider to be open to doubt. If however, the Local Governments and Administrations see no objection to this condition, the Government of India will be prepared to accept it. The proposed condition (1) regarding lighting seems to be unobjectionable, but if all gins and presses are brought within the scope of the Factories Act, no special legislation would be required to cover this point, inasmuch as section 11 (1) of the Act already requires that *every* factory shall be sufficiently lighted.

"7. In paragraph 229 of the Report the Committee recommend that action in regard to breaches of the conditions laid down in the license should only be taken on a complaint to the Central Cotton Committee or to the Provincial Committee. The Central Cotton Committee, the formation of which is advocated in Chapter XIX of the Report, and in connection with which Local Governments and Administrations have been addressed in the Department of Revenue and Agriculture Circular No. 1239 dated the 27th November 1919, would, after suitable enquiry, recommend to the Local Government concerned the withdrawal of the license or the issue of a warning as it thought fit. This procedure, though somewhat cumbersome, would, in the opinion of the Government of India, work satisfactorily so far as the withdrawal of licenses is concerned, but as full meetings of the Central Cotton Committee will probably be held only once or twice in a year warnings might well be issued on the recommendations of the Provincial or Local Committees.

"8. The Government of India doubt whether it would be advisable that the conditions on which licenses should be entered in the specific provisions of any legislation that may be undertaken, as the conditions might vary from time to time or in different parts of the country. It must be recognised, however, that a law which gave Local Governments unrestricted power to grant, withhold, or withdraw licenses might reasonably be open to objection. For these reasons the Government of India are of opinion that the best course would be to enact that licenses may be granted, withheld or cancelled by the licensing authority in accordance with conditions to be laid down by the Local Government, after consultation with an advisory body on which commercial interests should be represented, and that, when the conditions laid down by the Local Government are

not in consonance with the recommendations of such advisory body, an appeal shall be allowed to the Governor General in Council. This advisory body would in practice no doubt be the Central Committee recommended in Chapter XIX of the Report.

"9. The Government of India are further of opinion that there should be no penalties laid down in the law, except the penalty of withdrawal of license for breach of the conditions, and a penalty for working a gin or press without a license. Gins and presses would, of course, be liable for breaches of the Indian Factories Aet.

"10. In the opinion of the Government of India the proposed law should apply to the whole of British India. It will not, of course, apply to Indian States, but it is essential that they should follow suit and the Government of India intend to invite them to do so as soon as a definite decision has been arrived at as regards the action to be taken in British India.

"11. In paragraph 231 of the Report the Committee recommend the offer of concession in regard to the grant of Government land in the case of surplus factories forming a pool. This is a matter mainly for the consideration of the Local Governments and Administrations; but the Government of India agree with the Committee that where members of a pool in any district keep one or more factories closed without adequate justification, no night shift working should be permitted.

"12. In conclusion, I am to request that the Government of India may be favoured at an early date with the views of the Government of Bombay on the proposals described above after consultation with such commercial bodies or individuals as the Local Government may consider necessary."

ORDER.—Copies of the letter from the Government of India should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Director of Agriculture, the Director of Industries, the Registrar of Cooperative Societies and the Collector of Bombay for favour of their opinion on the several proposals described in the letter. The Commissioners should consult such Collectors in their respective charges as they consider necessary.

2. Copies of the letter should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, the Bombay Millowners' Association, the Bombay Presidency Trades Association and the Cotton Contracts Board for favour of their opinion on the several proposals described in it.

H. F. KNIGHT,
Under Secretary to Government.

G. O. No. 1243, R. D., dated 17th April 1920.

To

The Commissioner in Sind.
The Commissioner, N. D.,
The Commissioner, C. D.,
The Commissioner, S. D.,
All Collectors, including the Deputy Commissioner, Upper Sind Frontier,
The Director of Agriculture,
The Director of Industries,
The Registrar of Co-operative Societies,
The Collector of Bombay,
*The Chamber of Commerce, Bombay,
*The Chamber of Commerce, Karachi,
*The Indian Merchants' Chamber and Bureau.
*The Bombay Millowners' Association.
*The Bombay Presidency Trades Association,
*The Cotton Contracts Board.

*By letter.

No. of 1920.

Copy forwarded for information and guidance to.

T. 1170.

21st June 20

From

J. K. Mehta, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

H. F. Knight, Esquire, I. C. S.,

Under Secretary to the Government of Bombay ;

Revenue Department,

BOMBAY.

Sir,

I am directed, with reference to your letter of the 22nd April 1920 No. G. 103 of 1920, to send hereby the views of my Committee on the points mentioned in the accompaniment to your letter.

Para 205 and 212 :—My Committee appove of the suggestions made by the Cotton Committee and have no remarks to offer.

Para 225 to 229 :—My Committee approve of the proposal to license ginning and pressing factories and agree with the Cotton Committee that this must be done through Imperial Legislation in order that there may be a uniformity of procedure throughout the country.

Para 225 :—My Committee have no objection to the conditions enumerated in the paragraph but think that the

enforcement of b, c and m, may well be left to the Central Committee.

Para 227 :—My Committee are sorry that they cannot agree with the suggestion made in this paragraph that all gins and presses should be brought within the provisions of the Indian Factories' Act. This question was outside the scope of the Cotton Committee and there has been no evidence that the working of gins and presses has been such as to make it necessary to bring all factories and gins, however small the number of work people, under the operations of the Act, My Committee are therefore of opinion that the existing conditions regarding the Factories' Act need no change.

Para 229 :—My Committee are glad that it has been the object of the Cotton Committee " to avoid putting forward any recommendations which would involve inquisitorial inspection by poorly paid subordinates with its consequent evils". It would not be out of place if my Committee were to give a warning in this connection that the proposed legislation would meet with failure just as the Cotton Frauds Act did if the machinery to work it were placed in the hands of the Government agency. It cannot be too strongly emphasized that all the powers for dealing with the licensing question must be entrusted to and representatives of the trade duly elected on the Central Committee.

My Committee regret that they did not receive Circular No. 1289 dated the 27th November 1919 of the Department of Revenue and Agriculture and were thus given no opportunity to express their opinion on the constitution of the Central Cotton Committee. They however beg to avail themselves of this occasion to say that the constitution of the Central Committee as proposed in para 290 is not quite satisfactory.

The presence of so many Government Officials does not appear to be necessary. There appear to be no reason why the Director-General of Commercial Intelligence and the Director of Statistics are required on a Committee entrusted with carrying out measures intended to improve Indian Cotton and weed out abuses which have grown round marketing. If the Central Committee is to be made a Committee truly representative of the trade its constitution should be changed and Bombay which is the main Cotton market of India should be far more largely represented on it than what has been proposed. The Indian Merchants' Chamber of Bombay should be asked to send one representative and the East India Cotton Association should be represented by atleast five representatives. Bombay is by far the greatest Cotton market of the East and the representation which my Committee claim for it on the Central Committee is in no wise more than what is but its just due. Not only this but the success of the whole scheme will depend upon the Central Committee being made a strictly Trade Committee and this end will not be achieved unless a radical change is made in its constitution on the lines suggested here by my Committee.

In this connection my Committee beg to suggest that prohibition must be placed upon the transport of Kapas from one District to the other to prevent adulteration, provided such a transport is not carried on by bonafide consumers.

I beg to remain,

Sir,

Your most obdient servant,

J. K. MEHTA.

Secretary

APPENDIX No. 75

Amendment of the Indian carriers' Act III of 1865.

No. C. 362 of 1920.

Revenue Department.

Bombay Castle. 15th June 1920.

From

H. F. Knight, Esquire, I.C.S.,

Under Secretary to the Government of Bombay ;

To

The Secretary,

Indian Merchants' Chamber and Bureau, Bombay.

Subject.—Amendment of the Indian Carriers Act III of 1865.

Sir,

I am directed to forward for the information of your Chamber a copy of the letter from the Government of India, Department of Commerce, No. 2484 dated 26th May 1920 and its accompaniments and to request that this Government may be favoured with the views of your Chamber on the proposed amendments.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible

For under Secretary to Government.

Accompaniments.—Letter from the Government of India and its accompaniments.

No. 2484.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Simla, the 26th May 1920.

From

E. C. Ansorge, Esq., I.C.S.,

Under Secretary to the Government of India;

To

The Chief Secretary to the Government of Bombay.

Sir,

I am directed to forward herewith copy of the papers noted in the margin, on the subject of the proposed amendment of the Indian Carriers Act, III of 1865.

Letter from the Government of Bengal No. 66-T.-Com., dated the 25th May 1917, and enclosure.

2. The Government of India incline to the view that the amendments proposed by the Government of Bengal are desirable, but as the matter is one which closely affects the mercantile community they would be glad if His Excellency the Governor in Council will favour the Government of India with his view on the proposal, after consulting the mercantile community and such other local bodies and individuals as he may think desirable.

I have the honour to be,

Sir,

Your most obedient servant,

E. C. ANSORGE,

Under Secretary to the Government of India.

No. 60. T.-Com., Darjeeling, the 25th May 1917.

From—The Honourable Mr. James Donald, M. A., Secretary to the Government of Bengal, Financial Department;

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to address you with reference to the Indian Carriers Act, III of 1865. The Bengal Chamber of Commerce have brought to the notice of this Government in a letter, copy of which is herewith forwarded, in connection with a decision of the Appellate Branch of the Calcutta High Court in the case India General Navigation and Railway Company, Limited, *versus* Gopal Chand Guin (XVII C. W. N. 970), that section 8 of this Act operates inequitably against the carrier. In this case a passenger in one of the Company's steamers took with him six packages of silk-thread, which he booked as ordinary luggage. Silk-thread is one of the excepted articles, scheduled under the Act, for the loss of which, unless expressly declared, no liability attaches to the carrier. The steamer caught fire and the packages were destroyed. The passenger sued for recovery of damages on the ground that the destruction by fire was due to the negligence of the Company. The Appellate Court held that the Company were liable for the full value of the goods because the latter had been lost through their negligence. In the course of their judgment, their Lordships remarked :—

"Reading sections 3 and 4 with section 8, it appears that although a common carrier is liable for the loss or damages of property of a certain description above one hundred rupees in value unless the value or description thereof are expressly declared by the person delivering them to be carried, and

the carrier is entitled to charge a higher rate for such properties, he is liable for the loss of, or damage to, such property, if such loss or damage arises from the negligence or criminal act of the carrier or of any of his agents or servants."

3. From this decision it is clear that the carrier is exposed to onerous risks under the Act, and that the benefits conferred upon him by section 3 are to a large extent rendered nugatory by the provisions of section 8. The point in section 3 regarding the declaration of goods is that it enables the carrier to know that he is carrying valuable goods or goods likely to be damaged unless special precautions are taken, and he takes particular care in regard to the conveyance of such goods. Where negligence arises despite these precautions, the carrier has to incur the penalty. But the case is different where the goods have not been declared, and the carrier, in ignorance of the valuable or frail character of the goods, does not extend to them the precautions he would observe if they were declared. The Governor in Council considers that the liability of the carrier should be modified in this respect. He would accordingly recommend for the consideration of the Government of India that sections 8 and 9 of the Act should be amended so as to provide in the case of scheduled articles not declared under section 3, that the carrier, while retaining his present responsibility in the event of a criminal act, should be freed from liability for loss or damage arising from the negligence of the carrier or his agents or servants. His Excellency in Council would also suggest that where loss or damage results from a criminal act in the case of scheduled articles not declared under section 3 the onus of establishing the criminal act, if alleged, should, in a suit for damages, be on the plaintiff.

4. I am also to point out that whereas the Indian Railways Act allows Government to add by notification in the *Gazette of India* to the Schedule of excepted articles other articles of special value, the Indian Carriers Act has no such provision. The Schedule does not include such expensive commodities as opium, jade, amber, hemp, rubber and feathers. The Governor in Council would suggest, if the amendment of the Carriers Act is to be taken up, that Government should likewise be empowered to make additions to the Schedule.

Vide Item (s) in second Schedule to the Railways Act, 1890.

No. 572, dated Calcutta, the 25th March 1916.

From—The Secretary, Bengal Chamber of Commerce;

To—The Chief Secretary to the Government of Bengal, Judicial Department.

I am directed to address you with reference to the Indian Carriers Act, III of 1865.

2. It is within the knowledge of Government that for many years past the various Indian Steamship Companies, having their head offices in Calcutta, have urged the need for the amendment of this Act. In 1873 they asked the Secretary of State so to modify it as to enable carriers to protect themselves from their liability as insurers, or to limit that liability. They continued to press the question until 1896, when they restricted their request to the right to exempt themselves from liability caused by casualities not arising from negligence, and to have the burden of proof shifted from the carrier to the owner of the goods. During the period in question two alterations only were made in the law. One of these was in favour of the carrier, and the other was against him. The former shortened, from three years to one year, the limitation period within which suits

against the carrier may be filed. The latter repealed section 81 of the Indian Railways Act (IX of 1890) which gave steamers working in through-booking relations with railways, and carrying goods under railway documents, the benefit of that Act.

3. During the past eighteen months the Indian Steamship Companies have revived the question. They have entered in detail into various points in connection with which the provisions of the Act bear harshly, in their opinion, upon their interests; and they have suggested certain amendments which would, they consider, remove these hardships and make the law more equitable when regarded from their standpoint. These several amendments have been closely examined and discussed by the Committee of the Chamber, and by the other mercantile associations interested. The Committee, after prolonged deliberation, find themselves unable to support all of them, but there is one which should, they think, be adopted, and concerning this they have instructed me now to approach the Government.

4. In the schedule to the Carriers Act certain "excepted" articles—gold, silver, precious stones, etc.—are enumerated. And section 3 is to the effect that no common carrier shall be liable for the loss of, or damage to, any of the articles so enumerated, and exceeding Rs. 100 in value, unless the description and value of the property, shall have been expressly declared by the person delivering it to the carrier or his agent. Section 4 goes on to provide that every carrier may require payment for the risk undertaken in carrying excepted articles, exceeding in value Rs. 100, at such rate as he may fix. Read by itself section 3 no doubt affords complete protection to the carrier for the loss of, or damage to, excepted articles when not declared. But the provisions of section 8, as constructed by the Indian Courts, have rendered section 3 wholly nugatory for all pratical purposes.

5. Section 8 is as follows:—"Notwithstanding anything hereinbefore contained every common carrier shall be liable to the owner for loss or damage to any property delivered to such carrier where such loss or damage shall have arisen from the negligence or criminal act of the carrier or any of his agents or servants." The Calcutta High Court has held that, in respect of scheduled articles, the liability of the carrier in the case of negligence is in no way restricted by the fact that the description and value of the article are not declared. The wording of the Act itself leaves the whole question vague. Section 3 requires that the shipper shall make a declaration, but the Act nowhere says what is to happen if he fail to do so, or deline to pay the increased rate demanded.

6. The judgment in question was delivered, on the 9th May 1913, by the Appellate Bench of the Calcutta High Court in a suit brought by one Gopal Chandra Guin against the India General Navigation and Railway Co., Ltd. In this case a passenger on one of the Company's steamers took with him six packages of silk-thread. Silk-thread is an excepted article, but the passenger did not declare its description or value: he merely booked it as luggage. The steamer caught fire, and the packages were destroyed. The passenger sued for recovery of damages, on the ground that the destruction by fire was due to the negligence of the Company. The packages ought of course to have been shipped as merchandise, in which case freight would have been payable; and, if the description had been declared, a considerable sum would have been charged for undertaking the risk. But the Appeal Court held that the Company were liable for the full value of the goods, because the latter had been lost through their negligence. It is however significant that, although the plaintiff was successful, the Appeal Court refused to allow his costs in any one of the three

courts in which the suit was heard, though the costs probably exceeded the value of the claim. This finding furnishes, the Committee think, a very strong argument for the necessity of an amendment of the law, which the Appeal Court evidently considers to be unjust. But if the claim were of considerable magnitude a shipper would not be of course deterred from bringing a suit even at the risk of losing his costs.

7. It is clear from the foregoing that carriers are exposed to onerous risks under the Act, as interpreted in the manner explained. A passenger might take with him as luggage goods of any value, for example, a packet of jewels worth, say, lakh of rupees. If the packet should be lost through the technical negligence of the Company he would be entitled to claim for its value in full, notwithstanding the fact that he had not declared its description, and that the Company could not have entered into any contract with him for its carriage. As the law now stands the carrier is nominally permitted to limit his liability, so long as he is not guilty of negligence. But the onus of disproving negligence rests upon him; and the courts hold that an outbreak of fire, due to an unexplained cause, on one of his steamers, or flats is evidence of negligence. The result is that in case of fire the carrier is liable for everything on board, whether undeclared articles excepted by the schedule, or articles carried under special contracts.

8. The position seems to the Committee to be sufficiently serious to justify the amendment of the Act, and they recommend that this should be undertaken. They understand that the English Carriers Act of 1830 has a similar provision to that contained in section 3 of the Indian Act. And they are advised that the English Law on the point has been clearly established by the leading case of Hinton *vs.* Debbin—2 Q. B. 646. In this case it was held that if goods within the Act are

sent to a carrier for conveyance, without a declaration of their net value, and without a payment of, or an engagement to pay, an increased charge, the carrier is not liable for loss even though such loss may be caused by the gross negligence of himself or his servants. The Committee have also been referred to the following from pages 21 and 22 of volume 4 Lord Halsbury's "The Laws of England":—"The carrier is entitled to the protection of the Act whether he gives the prescribed notice or not, but he can only demand the additional charge when the notice has been given. The fact that loss or injury is caused by gross negligence does not deprive the carrier of the protection of the act but if he wilfully does an act inconsistent with his contract, or converts the goods to his own use, he is liable."

9. The framers of the Indian Act do not appear to have fully appreciated the effect of the provisions of section 8. For it is difficult to understand that there can be reason for so differentiating between the English and the Indian law as to expose the Indian carrier to liability for loss, notwithstanding the failure of the shipper to make the required declaration. The Indian Act also makes no distinction between "passengers' luggage" and "merchandise". Every description of property given to the carrier for carriage is included under the term "property". The English law distinguishes between the two, ordinary or personal luggage including only articles of apparel, and such things as a passenger takes with him for his personal use and convenience. Articles carried for purposes of trade are not accepted as passengers' luggage. Where a passenger takes with him merchandise in the guise of personal luggage the carrier, under the English law, does not contract to carry such goods; and if they are lost or damaged he is absolved from all liability. The Indian carrier is thus exposed

to a risk which he has not contracted to undertake, and of which he may be totally unaware. The English law would not make him liable for it in any circumstances; and the Committee are advised that there is no principle, either under the common law, or under any law relating to contract, which can justify its imposition. Moreover, the Act is, as I have already stated, silent upon the point as to what consequences ensue when, a declaration having been made, a shipper refuses to pay the higher rate demanded.

10. A further matter remains to be noted. The Indian Railways Act allows Government to add by notification in the *Gazette of India*, to the Schedule of excepted articles, other articles of special value. The Indian Carriers Act has no such provision, and its absence is felt by the Steamer Companies to be a hardship. The Schedule does not include such expensive commodities as opium, jade, amber, hemp, rubber, and feathers. These articles have from time to time been added, by notification, to the Schedule to the Railways Act; and the Committee suggest that the Government should likewise be empowered to make additions to the Schedule to the Carriers Act.

11. In conclusion, the Committee urge that their proposal for the amendment of the law should be favourably considered by the Government of Bengal and submitted to the Government of India. A short amending Act would be required, and they suggest that such should be framed. So far as regards the question of negligence, in the case of the loss of, or damage to, excepted articles, it would seem to be sufficient if, for the words "Notwithstanding anything hereinbefore contained" in section 8 of the Act, the following were substituted, namely, "Subject to the provisions of section 3 of this Act". Section

8 would then read : "Subject to the provisions of section 3 of this Act every common carrier shall be liable to the owner for loss of, or damage to, any property delivered to such carrier to be carried where such loss or damage shall have arisen from the negligence or criminal act of the carrier or any of his agents or servants"

Bombay 29th June, 1920.

From

J. K. Mehta, Esq. M. A.,
Secretary,
The Indian Merchants' Chamber and Bureau,
BOMBAY.

To

H. F. Knight, Esquire, I.C.S.,
Under Secretary to the Government of Bombay.
BOMBAY.

Sir,

I am directed by my Committee to acknowledge the receipt of your letter No. C 362 of the 15th inst. and to say inreply thereto that they approve of the proposed amendment in the Indian Carriers' Act III of 1865 contained in the letter of the Government of Bengal accompanying your letter under reply.

I have the honour to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 76

Indian Railway Conference Association.

No. 3034/17.

From,

The Secretary,

Indian Raliway Conference Association.

To

The Secretary,

The Indian Merchants' Chamber & Bureau.

BOMBAY.

Agra, 4th June, 1920.

Sir,

I am directed to inform you that the next meeting of the Traffic Committee of the Indian Railway Conference Association will be held in Bangalore commencing from Monday the 28th June 1920 and to request that I may be informed as early as possible of any subjects which your Chamber may wish considered by that Committee.

I may add that the functions of the Traffic Committee are mainly to take measures to simplify and assimilate as far as possible, the rules and conditions of booking and transportation of goods and coaching traffic over Railways which are parties to the Association. They cannot deal with questions of particular rates on individual railways.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

Secretary.

T. 1197.

To Dated 24-6-20.

Railcon.

AGRA.

Re. your letter dated fourth instant No. 3031/17 my Committee are informed that it is proposed to increase rates for goods and passengers traffic at the Bangalore Session of the Conference. If this is a fact my Committee urge that consideration of these questions be not undertaken till the Commercial public is consulted.

Mehta, Secretary, Indian Merchants' Chamber.

(Sd.) J. K. MEHTA.

No. 1832/11.

Agra, 25th June 1920.

To,

J. K. Mehta Esqr.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

Dear Sir,

I beg to acknowledge receipt of your telegram dated the 24th instant.

So far as we are aware there is no proposal before the Traffic Committee to revise entirely all the rates for goods and passenger Traffic.

Yours faithfully,

W. P. Wright,

For Secretary.

No. 1832/12.

Agra, 9th July, 1920.

The Secretary,

The Indian Merchants' Chamber & Bureau.

19, Bank Street,

BOMBAY.

Dear Sir,

Reference your telegram T-1198 dated 24th June, I am instructed to inform you that there was no question of a general increase in rates and fares before the Traffic Committee. It is not within the powers of the Committee to make any alterations in rates; they merely act in an advisory capacity.

Yours faithfully,

Illegible.

Secretary.

APPENDIX 77

The Gujerat Hosiery Factory.

27th May 1920.

From T. 1083.

J. K. Mehta, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau.

BOMBAY.

To

The Collector of Customs,

BOMBAY.

Sir,

The Committee of this Chamber have received communication from the Gujerat Hosiery Factory, Ahmedabad, to the

effect that he is charged with Customs Duty of 7½% on Knitting Needles used in his factory. It appears that a duty of 7½% is levied on Knitting Needles used for hand machine while a duty of 2½% only is levied on Needles used in Power factories. The Gujerat Hosiery Factory is worked by Power and the Proprietor thereof is prepared to sign an affidavite declaring that his needles will be used only for a Power factory.

My Committee will be greatly obliged if you will be kind enough to inform them as to the reasons for charging of 7½% duty to the abovementioned factories.

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

No. 3110 of 1920.

From

G. S. Hardy, Esquire, I. C. S.,

Ag. Collector of Customs

BOMBAY.

To

The Secretary,

The Indian Merchants' Chamber & Bureau,

Old Telephone Buildings,

19, Bank Street, Bombay.

New Custom House,

Bombay, 17 June 1920.

Sir,

With reference to your letter No. T 1083 dated the 27th May 1920 regarding the assessment to customs duty of knitting

needles imported by the Gujerat Hosiery Factory, Ahmedabad, I have the honour to state that in reply to a representation on the same subject made by him in October 1917 the Proprietor of that Factory was informed by Government in March 1918 that if he could prove that the needles were both indispensable for the working of a power machine and not adapted for use with hand machines, the needles would be assessed to duty at 2½% advalorem. The same orders are still in force.

I have the honour to be,

Sir,

Your most obedient servant,

G. S. HARDY.

Ag. Collector of Customs,

29th June 1920.

To

The Proprietor,

The Gujerat Hosiery Factory.

AHMEDABAD.

Dear Sir,

With reference to your letter of the 11th May 1920, I enclose herewith a copy of a letter received from the Collector of Customs, Bombay.

Yours faithfully,

J. K. MEHTA.

Secretary.

J. K. Mehta Esq.

Secretary, The Indian Merchants' Chamber and Bureau.

BOMBAY.

Dear Sir,

I am in receipt of your letter of the 29th ulto with copy of the letter from the Asst. Collector of Customs and am obliged for the same

With reference to the term " not adopted for use with hand machines " is it not incumbenton the authorities to define what Machines were to be included under the term " hand Machines." Secondly none of the approvers has any knowledge of Hosiery Machinery and as such how is it possible for them to distinguish between hand and power Machines.

Thirdly there is no standard for knitting Machine needles, each maker having a different needle of his own. Could you get an explanation for the above from the authorities and oblige.

Yours faithfully.

C. C. DALAL.

T. 1301.

16th July 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Collector of Customs.

Custom House,

BOMBAY.

Sir,

With reference to your letter dated 14th June 1920 and in continuation of my letter dated 17th May 1920 No. T. 1083, my Committee will be much obliged if you will kindly let them know what Machines are included under the term "hand Machines." They are informed that there is no particular standard of knitting Machines and that each maker has a different needle of his own. Several such needles are used both for hand and power Machines and it will be difficult, my Committee fear, to distinguish between needles which are used only for hand Machines and needles which are used for power Machines.

Under such circumstances it may be deemed reasonable if the needles are charged with a duty of $2\frac{1}{2}$% *ad Valorum* on the Proprietor signing an affidavit declaring that his needles will be used only for a power factory.

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

RSR No. 3110 of 1920.

From

G. S. Hardy, Esquire, I. C. S.,

Ag. Collector of Customs, Bombay.

To

The Secretary,

The Indian Merchants' Chamber & Bureau,

19, Bank Street, Bombay.

New Custom House,

Bombay, 7th August 1920.

Sir,

Replying to your letter of the 16th ultimo in the matter of assessment to Customs duty of knitting needles, I have the honour to inform you that such machines as are worked or are capable of being worked by manual or animal labour are included in the term "hand machines."

Referring to the concluding paragraph of your letter under reply, I have the honour to state that I have nothing to add to what I have already communicated to you in my letter of the 14th June 1920 which was a reply to your representation on behalf of the Gujerat Hosiery Factory relating to the same subject.

I have the honour to be,

Sir,

Your most obedient servant,

G. S. HARDY.

Ag. Collector of Customs.

APPENDIX 78

Reconsidering the Currency Report—Vide Committee's second interview with Hon'ble Mr. Hailey, the Finance Member of the Government of India.

APPENDIX, 79

Stamping of Insurance Policies.

Revenue Department.

Bombay Castle, 24th June 1920.

From

H. F. Knight, Esqr., I. C. S.,

Under Secretary to the Government of Bombay;

To

The Secretary,

Indian Merchants' Chamber and Bureau.

Subject.—Proposal to permit the use of revenue adhesive stamps for stamping policies of insurance.

Sir,

I am directed to forward copy of a letter No. 234 dated 15th March 1920 from the Karachi Chamber of Commerce on the above subject, and to request that you will be as good as to favour this Government with the views of your Chamber in the matter.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

For Under Secretary to Government.

Enclosure.—Copy letter No. 234 dated 15th March 1920.

The Karachi Chamber of Commerce.

From

The Secretary,

To

The Secretary to Government, Revenue Department,

BOMBAY.

No. 234.

Karachi, 15th March 1920.

Sir,

Stamping of Insurance Policies.

The attention of my Committee has been drawn to the delay and inconvenience attached to the existing necessity to send policies and receipts for renewal and similar documents to the Stamp Office it being contended that adhesive stamps are permitted to be affixed by the issues of other documents such as Bills of Exchange, Cheques, etc.

I am directed to submit that great advantage and saving of both time and trouble would accrue to Government Department concerned and to the public if the use of adhesive stamps on policies and renewal receipts was permitted.

I have the honour to be,

Sir,

Your most obedient servant,

Sd. E. L. Rogers,

Secretary.

T. 1291

15th July 1920.

From,

J. K. Mehta Esqr., M. A.,

Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To,

The Under Secretary

to the Government of Bombay, Bombay Castle,

BOMBAY.

Sir,

With reference to your letter dated 24th June 1920 No. D-113 I am directed by my Committee to say that they approve of the proposal to permit the use of Revenue Adhesive Stamps for stamping policies of Insurance.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX No. 80-81

The Revised Australian Tariff and Embargo placed by the French Government on the importation of luxury articles.

T. 1113.

2nd May 1920

From

J. K. Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary,
Department of Commerce,
Government of India.
SIMLA.

Sir,

The attention of my Committee has been drawn to a Press Communique of the Government of India dated the 14th May 1920 wherein some particulars are given regarding the French import prohibition list. My Committee have also seen the issue of the Board of Trade Journal dated 6th May 1920, which gives all the details regarding the prohibition. It is not necessary to mention here that several of the articles which appear in the prohibition list are being exported from this country and that consequently the export trade of this country will be affected to a large extent.

My Committee will be much obliged if you will be kind enough to inform them if the Government of India have taken any steps in this matter to safeguard the interests of Indian trade.

I am also directed to draw your attention to the 3rd para page 1319 of the Capital of the 15th May 1920. My Committee would like to know if changes have been made in the Australian tariff as mentioned in this paragraph and will like to have a copy of the same if possible. They will also be obliged if you will be kind enough to let them know if the Government of India propose taking any action in the matter in case the facts are as stated in the paragraph.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

No. 3328.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

Dated Simla, the 23rd June 1920.

From

E. C. Ansorge, Esquire, I. C. S.,

Under Secretary to the Government of India,

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

Old Telephone Buildings, 19, Bank St,

BOMBAY.

Sir,

With reference to your letter No. T. 1113, dated the 2nd June 1920, I am directed to say that the Government of India

have not taken, and do not propose to take, any special steps in the matter of the recent prohibition by the French Government of the importation of luxuries into France. In this connection I am to point out that the effect of the prohibition on Indian trade is very small in comparison with its effect on the trade of the United Kingdom. But the only action which the Board of Trade have felt justified in taking is that they have suggested that the attention of His Majesty's Ambassador at Paris should be called to the question of goods "on order" in case he may find it possible to secure some measure of special consideration for such goods.

2. With reference to the question raised in the third paragraph of your letter I am to say that it is a fact that the Government of the Commonwealth of Australia have recently revised their import customs tariff and that the chief feature of the new tariff (the details of which have been published as a Supplement to the Board of Trade Journal of the 22nd April last) is an increased preference to the United Kingdom. Your Chamber are aware that the question of the participation of India in a scheme of Imperial Preference within the British Empire has lately formed the subject of an enquiry by a special Committee appointed for the purpose and that the report of that Committee is now under the consideration of the Government of India. Until the Government of India have decided whether they should participate in a general scheme of Imperial Preference they do not consider that any useful purpose would be served by opening negotiations with the Commonwealth Government to secure for India the benefit of their preferential tariff.

I have the honour to be,
Sir,
Your most obedient servant,
E. C. ANSORGE.
Under Secretary to the Government of India.

T. 1463

16th September 1920

From,

J. K. Mehta Esqr., M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To,

E. C. Ansorge Esqr., I. C. S.,

Under Secretary to the Government of India,

Commerce and Industry Department,

SIMLA.

Sir,

I am directed to acknowledge the receipt of your letter No. 3328 of the 23rd June 1920.

With reference to para 1 of your letter under reply, my Committee beg to request that His Majesty's Ambassador in Paris may be requested by the Government of India to do his best to secure some measure of relief for goods "on order", also with regard to Exports from India.

With regard to para 2 of your letter, my Committee are unable to understand the attitude of the Government of India. In face of the preferenceof 5% given to all the British Colonies including Australia under the recent legislation imposing an export duty on hides and skins, it is incomprehensible why the Government of India should not, in its turn, insist upon a similar consideration being given to India by the Australian

Government or by any other colonial Government. If the fact, that this country has not yet decided as to whether it should or should not participate in any general scheme of Imperial Preference is considered by the Government of India a sufficient ground on the part of any British colony for denying to this country the benefit of a system of Preferential Tariff made applicable to other parts of the Empire, my Committee would like to know why this consideration did not weigh with it when the benefit of the 5% preference on the export of hides was extended to Australia along with other British colonies.

In view of the benefit of the preference already given by India to Australia, my Committee are emphatically of opinion that the Government of India should insist upon a similar benefit being granted to this country under the Australian tariff ; and would urge that if this is not granted, the benefit extended to Australia under the recent legislation should be withdrawn.

This is the least that is due to this country and would be insisted upon by any other Government having the interests of its people at heart.

My Committee therefore most earnestly hope that the Government of India will take early and effective steps, either by representation or retaliatory measures, to see that the interests of India do not suffer by default.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX 82

Death of sir Shapurji Broacha.

T. 1305.

16th July 1920.

To

Lady Shapurji Broacha,

BOMBAY.

Madam.

I am directed to express the deep and heartful sorrow of the Committee of this Chamber at the sad death of your illustrious husband. Sir Shapurji was associated with this Chamber since its inception and was a member of its Committee upto recently. His advice and guidance on Financial and currency matters were always sought after and were much appreciated. His death is a great misfortune to the commercial community of Bombay which has lost in him a financial genius.

My Committee beg to offer to you their sincere condolences in this bereavement of yours and your family.

Yours faithfully,

J. K. MEHTA.

Secretary.

Bombay 19th July, 1920.

Lady Broacha is deeply grateful to the President and the Members of the Committee of the Indian Merchants' Chamber and Bureau for their sincere condolence in her sad bereavement.

APPENDIX 83

Thefts of Piecegoods and valuable silk cloth from the Customs examination Hall.

No. 6784 of 1920.
21 (*b*)

From,

The Commissioner of Police,

BOMBAY.

To

The Indian Merchants' Chamber and Bureau,

19, Bank Street, Old Telephone

Buildings,

Fort,

BOMBAY.

22nd July 1920.

Gentlemen,

I have the honour to address you on the subject of the frequency of thefts of valuable cargo from the Docks.

2. On enquiry I find that complaints are made (not to the Police) of thefts of piece goods and valuable silk cloth from ths Customs Examination Hall. These apparently must take place after the packages have been opened by the merchant and before they are closed again after examination. I understand that during the interval it is customary for merchants to leave the Examination Hall in order to go to one or other of the Sheds. I would suggest therefore that all merchants should be warned that they are responsible for their

goods while in the Examination Hall and if they have occasion to leave the Hall for any cause whatever they should arrange to leave some one responsible in charge.

3. I am also given to understand that a large amount of thieving goes on from the Port Trust Sheds which is never reported to the Police. It has been suggested that the root of this evil is the fact that merchants sometimes pass a delivery receipt for a consignment of goods, and then, finding that they are unable to remove the whole consignment before night, they are in the habit of leaving the balance in the Port Trust Sheds overnight. This, if true, might be avoided by merchants refusing to pass delivery receipts for more goods than they are in a position to remove to their own godowns before night.

4. Crime in the Docks as reported to the Police is neither heavy nor serious and I am unable to understand the reports which reach me concerning the large thefts of valuable goods, nor am I able to understand why, if this is really so, merchants are so reluctant to report thefts to the Police.

5. I should be glad of any advice you could give on the subject.

I have the honour to be,

Gentlemen,

Your most obedient servant,

Illegible.

Dy. Commissioner of Police for the Port.

T. 1485

27th August 1920.

From,

J. K, Mehta, Esq., M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

To

The Commissioner of Police,

BOMBAY.

Sir.

I am directed to acknowledge receipt of your letter of the 22nd July 1920 on the subject of the frequency of thefts of valuable cargo from the Docks ; and, in reply, to communicate to you the following views of my Committee on the matter.

My Committee have made very full and careful enquiries on this question. So far as their information goes, thefts do not as a rule, take place in the Examination Hall but on the ships or in the Port Trust sheds or in the Duty-paid Warehouses. It is possible that most of them are not reported to the Police, as they generally take place before the packages are delivered to the consignees ; and, owing to the exceedingly clever and ingenious manner in which these thefts are carried on, they are only found out when the latter are opened after delivery, when it is too late to lodge a complaint.

With regard to the suggstion that one of the causes of these thefts may be traced to the fact that merchants pass a delivery receipt for consignment of goods and then finding that they are unable to remove the whole of it before night, leave the balance in the Port Trust sheds over-night, my Committee understand that partial deliveries being refused, merchants have no other alternative left to them. This defect can be remedied by the Port Trust allowing delivery-receipts only for goods which are actually delivered.

My Committee are glad that your attention has been drawn to this important question of thefts in the Port Trust Docks, and trust that you will pursue the matter to its legitimate and logical conclusion, and remove the root-cause of it. One of

the best and most effective remedies would of course be, a much larger Police force to exercise greater vigilance than hitherto.

I beg to remain,

Sir,

Your most obedient servant.

J. K. MEHTA.

Secretary.

APPENDIX 84.

The proposed new docks at Trombay.

Secretary's Office,

Ballard Road,

Fort,

Bombay 17th May 1920.

No. B. 1289.

To

The Secretary,

Indian Marchants' Chamber and Bureau,

Sir,

Proposed new docks at Trombay.

I am directed to forward for the information of your Committee a copy of a preliminary report dated 12th April 1920 by Mr. P. G. Messent, C. I. E., M. Inst. C. E., Chief Engineer, Bombay Port Trust, on the proposals before the Trustees for dock extension in Bombay.

2. Since the completion of the Alexandra Dock it has been recognised by the Trustees that the rapid expansion of the trade of Bombay and the time necessary to construct a new dock of

the required size, rendered it imperative that the scheme should be drawn up well ahead in order that the construction could be taken in hand without delay as soon as the necessity for another dock became apparent,

3. In December 1917 the late Chairman, Sir Frederick Sprott, drew up a provisional scheme for the future development of the Port of Bombay. It was not possible to undertake new works of any magnitude at a time when all activities had to be subordinated to war requirements and further consideration of the scheme had therefore to be deferred until after the conclusion of the war.

4. Sir Frederick Sprott's scheme provided for the construction of a new dock immediately to the East of the existing docks. It was discussed by the Trustees at the beginning of 1919 and objection was then taken to it mainly on the ground of the inevitable congestion of the road and railway approaches to a new dock placed in this position. This objection has been strengthened by the growth and development of the Port and City in recent years and by the experience gained since the opening of the Alexandra Dock. In view of the insuperable difficulty of access by rail and road from the business quarters of the City, the Trustees are of opinion that the scheme for constructing a new dock to the East of the present docks must be regarded as impracticable.

5. In November last the Trustees' Chief Engineer, Mr. P. G. Messent, C. I. E., M. Inst. C. E., was placed on special duty to report on the scheme for dock extension and his preliminary report has now been considered by the Trustees' Docks Committee who have directed that in the first instance, the report should be placed before your Chamber and various other local bodies who are interested in the development of the Port, for their opinion on the proposals.

6. Mr. Messent's report recommends the construction of a dock at the North end of the Harbour on the foreshore of Trombay, in the position shown on the chart attached to the report. This site has several advantages, the chief of which are:—

(1) *Approach from the sea.*—The deep water channel runs up to the North end of Butcher and Elephanta Islands and only a short distance of easy dredging would be required to extend the channel up to the entrance of the proposed dock.

(2) *Land approaches.*—The extent of the land available on the foreshore and on the main-land precludes any danger of congestion as regards the road and rail approaches to the new dock and ample room will be available for future railway and storage developments. It will be an easy matter to reclaim further land on the foreshore to the West of the proposed site when it becomes necessary to provide for future dock extensions.

7. The distance from the existing docks to the proposed dock by road will be nearly 9 miles but this distance can be reduced to about 6 miles if a causeway is constructed from the Masagon-Sewri Reclamation to Trombay as explained in the report and shown on the chart by a dotted line.

8. The general design of the proposed dock is fully explained in Mr. Messent's report. It is possible that the arrangement of berths may be modified in certain respects as a result of information which is at present being collected in England and America as to the latest type of dock development.

9. *Import and export berths.*—The Docks Committee have considered the question of reserving the proposed new dock exclusively for exports but the concensus of opinion is against this proposal for the following reasons:—

(*a*) At present ships discharge and ship cargo simultaneously to a great extent. It would seriously delay the turn round of a ship if she had first to complete her discharge in Alexandra Dock and then proceed to the new dock for loading.

(*b*) Congestion in the present docks would increase with the expansion of trade, as the main source of congestion is import cargo which cannot be regulated in the same way as exports.

(*c*) In the case of certain ships it would not be safe to transport them empty from the present docks to the new dock, especially in the monsoon.

For these reasons the Committee are of opinion that both imports and exports should be handled at the new dock.

The question of reserving certain berths for imports and others for exports is a matter for future discussion and the Trustees will be glad if you will favour them at an early date with the opinion of your Committee on this and any other points connected with the scheme in which they may be interested.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

Secretary.

T. 1112.

2nd June 1920.

From

J. K. Mehta, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Secretary,

The Port Trust,

BOMBAY.

Sir,

With reference to your letter of the 17th May 1920 No. B-1289, my Committee will be much obliged if you will kindly send a copy of the provisional scheme for the future development of the Port of Bombay drawn by Sir Frederick Sprott, as also a map of the Port Trust Docks and a plan showing the proposed construction at Trombay.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

BOMBAY PORT TRUST.

Bombay 8th June 1920.

No. B-1540.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

Sir,

With reference to your letter No. T. 1112 dated 2nd June 1920, I am directed to forward herewith a copy of Sir Frederick Sprott's note dated 15th December 1917 on the future development of the Port of Bombay, and also a litho map of the existing Port Trust Docks.

2. As regards Sir Frederick Sprott's note I am to invite special attention to para. 4 of my letter No. B-1289 dated 17th May 1920 and to say that the opinion subsequently arrived at regarding the unsuitability of the site suggested in that note was the unanimous opinion of the Trustees formed after experience of the working of the Alexandra Dock and subsequent trade developments in the Port.

3. You have already been furnished with a chart shewing the site of the proposed new docks at Trombay. Construction plans are not available as the final design of the dock has not yet been decided on.

4. I am to observe that the proposed scheme has been referred to your Chamber and to other representative local bodies primarily for their opinion on the proposed location of the new docks as affecting the trade of the Port. It is not intended to invite the mercantile community to express an opinion on technical details of design as these are matters which can only be decided on expert professional opinion.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

Secretary.

T. 1346

26th July 1920.

From

J. K. Mehta, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Secretary,

The Bombay Port Trust,

BOMBAY.

Sir,

With reference to your letter No. R 1540 dated 8th June 1920 I am directed to send hereby views of my Committee regarding the proposal put forth in the same. My Committee feel that there is a necessity for new Docks. The ever expanding trade and industry of Bombay require extension of Docks for their requirements, and it is commendable that the Trustees of the Port of Bombay should be thinking of preparing plans for extension of Docks from now to meet the requirements of trade and industry. The place where the new Docks are projected is about 6 miles from the existing Docks, and in view of this situation my Committee hope that there will be quick transport facilities, as otherwise there will be serious hampering influences for both export and import trade. My Committee would further like to emphasize that imports and exports must not be handled from different Docks as this would be a great inconvenience to trade.

My Committee entirely agree with the Docks Committee in thinking that both Imports and exports should be handled at the new Docks.

As the projected schemes will take a long time to mature, Trustees of the Port of Bombay and the Commercial community will be gaining experience in the meanwhile with regard to the difficulties, if any, that may be experienced in the present Docks and this will facilitate the work of making suggestions in future regarding the extensions.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA

Secretary.

APPENDIX 85

The rate of telegram between Aden and the United Kingdom.

Bombay 19th July 1920.

To,

J. K. Mehta Esq, M. A.
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

Dear Sir,

Re Telegrams Between Aden and the United Kingdom.

We beg to acknowledge the receipt of your letter of the 14th Inst, enclosing a copy of a letter received by you from the General Superintendent, the Eastern Telegraph Co. Ltd. for which we are obliged.

It is an inexplicable anomaly that while the rate between India and the United Kingdom is Rs. 1- the rate between Aden and the United Kingdom should be Rs. 1-4-0, though the distance between the latter places is 1/3rd shorter than that between the former places.

Previously when the rate was Rs. 1/8 for Telegrams between India and the United Kingdom, the same rate prevailed for telegrams between Aden and the United Kingdom. This was not just, but the injustice is now enhanced by fixing the rate between Aden and the United Kingdom at even a higher figure than the rate between India and the United Kingdom. It is, therefore, submitted that if the Aden-United Kingdom rate be not reduced to less than that of India-United Kingdom, at any rate it ought to be equal to that of the latter.

Yours faithfully,
CAWASJI DINSHAW & BROS.

T. 1388

Bombay, 5th August 1920.

From

J. K. Mehta, Esq., M. A.,
Secretary, The Indian Merchants' Chamber & Bureau,
BOMBAY.

To,

The Director General of Post and Telegraphs, Calcutta.

Dear Sir,

I am directed by my Committee to bring to your notice the discrepancy that exists in the rate of telegrams between Aden and the United Kingdom. As compared with the rate of telegrams between Bombay and the United Kingdom Rs. 1/ (one) only, the rate between Aden and the United Kingdom (Rs. 1/4/), which is a smaller distance, appears to be unreasonable.

Previously when the rate was Rs. 1/8 for telegrams between India and the United Kingdom the same rate prevailed for telegrams between Aden and the United Kingdom. This was also not fair but the revised rates go one step further by fixing higher rates for telegrams between Aden and the United Kingdom, than those between Bombay and the United Kingdom.

My Committee would, therefore, feel obliged, if they were informed of the reasons for this anomaly in rates.

Yours faithfully,

J. K. MEHTA.

Secretary.

POSTS AND TELEGRAPHS.

From

The Director-General of Posts and Telegraphs,

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

19, Bank Street,

BOMBAY.

No. 1743-H.

Dated Calcutta, the 17th August 1920.

Sir,

With reference to your letter No. T. 1388, dated the 5th August 1920, I am directed to inform you that this Department has no control over the rate for telegrams between Aden and the United Kingdom and that the question may be referred to

the Eastern Telegraph Company whose General Superintendent is at Bombay.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible,

Assistant Director-General,

Telegraph Traffic.

T. 1551

14th September 1920

To,

The Superintendent,

Eastern Telegraph Company,

BOMBAY.

Dear Sir,

Being referred to you by the Director-General of Posts and Telegraphs, Calcutta, I enclose herewith a copy of a letter addressed by my Committee to him regarding rate of telegrams between Aden and the United Kingdom. My Committee will feel obliged if you will kindly explain the points raised therein.

Yours faithfully,

S. M. MAZUMDAR.

For Secretary.

Bombay 1st November 1920.

To

J. K. Mehta, Esq., M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

Old Telephone Buildings,

19, Bank Street, Fort,

BOMBAY.

Dear Sir,

With reference to your letter No. T. 123 * dated 30th October 1920, I beg to inform you that I have received the following from our Head Office, London:—

"We have to acknowledge receipt of your letter of the 20th "ultimo, with reference to the rate between the United Kingdom "and Aden, and shall be glad if you will inform the Indian "Merchants' Chamber and Bureau that owing to the smallness "of the traffic with Aden and the very high cost of working the "station the Company do not see their way to place Aden on a "level with Indian tariffs, especially at the present time.

"We are quite aware of the discrepancy in the charges and this fact will not be lost sight of should the opportunity arise at any future time",

Yours faithfully,

E. K. CAMPBELL.

General Superintendent.

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* Reminder.

APPENDIX 86

Extraordinary General Meeting of the Chamber to express grief at the death of Lokmanya B. G. Tilak.

No. T. 1434.

13th August 1920.

To,

R. B. Tilak Esqr.,
C/O "Kesari," Gaikwad Wada,
POONA.

Dear Sir,

I have the honor to send to you the following resolution passed at the Extra-ordinary General Meeting of the Indian Merchants' Chamber and Bureau held on the 10th inst.

Yours faithfully,
S. M. MAZUMDAR.
For President.

"That the Extra-ordinary General Meeting of the Indian Merchants' Chamber and Bureau expresses its sense of heart-felt and sincere sorrow at the premature death of Lokamanya Tilak and shares in the grief felt by the people of India at the irreparable loss which India has suffered thereby."

APPENDIX 87

Representation of the Chamber re Bill No. 12 of 1920 further to amend the Bombay Port Trust Act 1879.

Old Telephone Buildings.
19, Bank Street,
Bombay, 31st July, 1920.

From,

J. B. Petit Esqr.,
Chairman,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To,

H. E. the Hon. Sir George Ambrose Lloyd, G.C. I.E., D.S.O. Governor of Bombay.

May it please your Excellency;

The attention of the Committee of this Chamber has been drawn to Bill No. 12 of 1920 further to amend the Bombay Port Trust Act of 1897, which is to be introduced at the forthcoming Session of the Bombay Legislative Council. My Committee hope that, as the Bill has been published so recently as Friday the 23rd instant and does not, therefore, fulfil all the conditions required by the Rules governing the publication of a Bill, it will not be taken up and disposed of this Session.

My Committee also beg respectfully to point out that as the proposed amendment involves not only a question of principle but also issues of far reaching public importance, the commercial community which is very vitally interested in the matter, should be given an opportunity of considering the same and of expressing its views thereon. My Committee think that instead of rushing the Bill through, as proposed, the Government should in the first instance refer it to bodies like the different Chambers of Commerce, the Millowners' Association, the Native Piecegoods Merchants' Association, the Grain Merchants' Association, the Bombay Rice Merchants' Association, the Cotton Contract Board, the Cotton Exchanges and similar organisations, for their opinion.

My Committee have no idea of the expenditure which is contemplated to be incurred in the construction and management of Hotels by the Port Trust, but they think that it must necessarily be a very heavy one. On a very moderate computation, the erection, equipment and management even of one really good and large Hotel on thoroughly modern and up to date lines, including all the initial expenditure, must involve

a capitalized outlay of at least two crores of rupees. A scheme, so utterly foreign to the main functions of the Port Trust and so doubtful of being a paying one under existing circumstances, must at all times severely handicap its finances and unnecessarily curtail the scope of its natural and legitimate activities. But, at a time like the present, it must inevitably prove a veritable octopus upon its resources and very seriously retard its progress in more than one direction.

The present condition of the money-market is by no means favourable to the raising of loans even for urgent and important public schemes of a productive character; much less so will it be possible, without seriously crippling its borrowing capacity for its legitimate programme of work, to attract capital for building a hotel or hotels, meant only for ocean-going passengers. If these hotels are not restricted to passengers but are thrown open even to ordinary citizens, the fundamental object of the Bill will be destroyed. At the same time, if they are restricted only to ocean-going passengers as is contemplated the scheme will prove a financial failure. In either case my Committee cannot see any justification whatsoever for empowering the Port Trust to launch upon such activities at any rate, till schemes of vital and extreme necessity to the mercantile community, such as the extension of the Docks, the increase of Godown facilities, the provision of housing accommodation for their employees and similar urgent work, falling within the purview of their statutory and obligatory duties, are attended to and completed, in a manner and to an extent commensurate with the growth and importance of Bombay, the launching of such schemes by the Port Trust as are contemplated by the Amending Bill, would be indefensible and wrong in principle.

The anxiety on the part of the Government and the Port Trust, as disclosed by the proposed measure, to give facilities of this kind to ocean-going passengers, contrasts very unfavourably with the manner in which both these Bodies have allowed the question of the enormous inconvenience experienced by passengers going to Coasting Ports from this City, to drag on from year's end to year's end. It is a notorious fact that for want of proper waiting arrangements and even adequate sheds to protect them against the sun and the inclemencies of the weather, thousands of these poor passengers have to suffer a great deal of inconvenience and trouble, a condition of affairs, which hardly does credit to a public body of position and financial resources of the Bombay Port Trust.

Under these circumstances, my Committee beg most earnestly to appeal to your Excellency to be pleased to abandon the proposed legislation, or in the alternative, to postpone it till the public and the commercial community have had time to study the provisions thereof and to pronounce an opinion on the same.

I have the honour to be,

Sir,

Yours Excellency's most obedient servant.

JEHANGIR B. PETIT.

2nd August 1920.

Dear Sir,

I am directed by His Excellency to acknowledge receipt of your letter of the 30th of July and of the enclosed representation form the Indian Merchants' Chamber.

I am to say that His Excellency will be glad to discuss the matter referred to in the representation with a representative

of the Indian Merchants' Chamber. I am to ask you to let me have an urgent reply so that I may fix an early date for the discussion.

Yours truly

C. G. ADAM.

J. K. Mehta Esquire,
Secretary,
Indian Merchants' Chamber & Bureau.

T. No. 1377.

3rd August 1920.

From,

J. K, Mehta, Esq., M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Private Secretary,
To His Excellency the Governor of Bombay,
POONA.

Sir,

I beg to confirm hereby the telegrem sent to you to-day regarding the nomination of a representative of this Chamber to discuss the question of the Port Trust Hotel scheme.

P. S. Bombay. Poona. Your Letter second inst committee nominate honorable Mr. Purshottamdas Thakoredas as their representative for discussing the question of Port Trust Hotels

with his Excellency. Mehta Secretary Indian Merchants' Chamber.

I beg to remain,
Sir,
Your most obedient servant.
J. K. MEHTA.
Secretary.

9th August 1920.

Dear Mr. Petit,

With reference to the representation dated the 31st of July from the Indian Merchants' Chamber & Bureau regarding the Bill further to amend the Bombay Port Trust Act, His Excellency desires me to inform you that the Government as a result of the representations received forewent the original intention of putting the Bill through all three stages at the session just closed.

I am to say that His Excellency presumes that you will no doubt address Government again if you have any further representations to make.

Your Sincerely,
C. G. ADAM,

J. B. Petit Esquire.

APPENDIX 88.

Inconvenient timings of the Gujarat Mail.

29th July 1920.

From

J. K Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The General Traffic Manager,

B. B. & C. I. Railway,

BOMBAY.

Dear Sir,

Subject :—The timings of the Gujarat Mail.

The attention of my Committee has been drawn to the present inconvenient time of arrival of the Gujarat Mail into Bombay.

You are no doubt aware that most of the Passengers from the Mufassil are persons come here specially on business only for a short stay and leave Bombay for their respective places by the first available train.

These people find the present time of arrival of the Gujarat Mail exceedingly inconvenient from more points of view than one. As the Mail does not reach Bombay before 10-50 a.m. (S.T.), it is invariably 2 or 3 p.m, before passengers are ready to attend to their business here and it is very often not possible for them to dispose of all their work before the evening, thus necessitating the stay of an additional day.

Another inconvenience of an equally serious character arising out of the present timings, is the unusual delay that occurs in postal deliveries. Merchants find it very difficult to pack and forward goods on the same day on which they received orders, nor is it possible even to send replies immediately to all letters, when the post is handed in after about 2 p.m. each day. The trouble and inconvenience are considerably enhanced in the case of Hundies which, my Committee are informed, cannot possibly be negotiated on the day on which they are received, in consequence of their late delivery.

Under these circumstances, I am directed to request you to be so good as to consider the advisability, in the interest of travelling public and the trade of this city, of reconsidering the timings of the Gujarat Mail, and if possible, of arranging its arrival in the early hours of the morning, as before.

Yours faithfully,

J. K. MEHTA.

Secretary.

General Traffic Manager's Office.

No. T. B. 930/M.

BOMBAY.

Dated 2nd August 1920

To

The Secretary,

The Indian Merchants' Chamber & Bureau,

19, Bank Street, Bombay.

Dear Sir,

In acknowledging the receipt of your letter No. Nil of 29th July, 1920, I do not think I can do better than send you copies of two letters I have written to the Ahmedabad Chamber of Commerce. We cannot have things both ways. Either the Gujarat Mail must disorganize the local service or the local service must prevent the Gujarat Mail from entering Bombay.

I can only again give you my assurance that we know the inconvenience of the present service and we will do what we can to alter it as soon as conditions allow.

Yours faithfully,

Illegible.

Ag. General Traffic Manager.

Copy of letter No. T. B. 930/M. of 30th June 1920., from the General Traffic Manager, B. B. & C. I. Railway., Bombay., to the Honorary Secretary, The Ahmedabad Chamber of Commerce, Punch Kuva, Ahmedabad.

Revised timings of the Up Gujarat Mail.

I am in receipt of your letter of the 25th June, and much regret to see that you should ascribe the alteration in the timings of the Gujarat Mail to the idea that this Company has ignored pulic facility and inconvenience ; I can assure that such is not the case. We were fully alive to the inconvenience the alterations in the timings of these trains would entail, but the alteration was inevitable. The condition of the permanent way owing to the difficulty in obtaining material and the state of our Engines, made it impossible for the trains to keep to the previous booked timings and they were invariably late. The fact that the Up Mail has now been scheduled to arrive later in Bombay makes but little difference to her actual performance inasmuch as it was the exception rather than the rule for her to arrive before 10 or 11 O'oclock before the timings were altered. You will, I feel sure, readily recognise the dislocation such unpunctuality must cause to our Bombay Local and Suburban Service and the serious public inconvenience entailed thereby. It was therefore thought advisable to alter the timings of the Mail train to an hour at which she could be accepted without dislocation of our Local service, and at which we might reasonably expect to essure her punctual arrival.

I shall be therefore obliged if you would put this point of view before your Managing Committee and repeat my assurance that we are fully alive to and very much regret the inconvenience this alteration in timings has occasioned and that we

will endeavour to provide a better service between Gujarat and Bombay to more convenient timings directly we are able to do so.

Copy of letter No. T. B. 930/M. of July 1920, from the General Traffic Mangager, B. B. & C. I. Railway., Bombay to the Honorary Secretaries, The Ahmedabad Chamber of Commerce, Ahmedabad.

Revised timings of the Up Gujarat Mail.

I am in receipt of your letter of 6th instant and in reply beg to inform yon that it is not possible to accept the Gujarat Mail in Bombay between 9 and 11 O'clock, until our tracks are quadrupled, as this causes severe congestion and overcrowding in our local and suburban trains. The work of quadrupling tracks has been commenced.

As regards para 2 of your letter arrangements have already been made to attach an additional second class carriage for 16 passengers between Colaba and Amedabad on the Kathiawar Expresses. This already exceeds the maximum load the engine is engaged to take & further overloading would assuredly cause serious unpunctuality.

As regards suggestion 3 made by you, I quite agree with your idea that an additional Express Train is desirable between Gujarat and Bombay and I am at present occupied in working out details as to the best division of traffic between the new train and the present mail, so that when engine power and rolling stock is available, it can be put on without delay.

I am sorry for the delay in replying your letter which has been due to my absence on tour.

18th August 1920

T 1461.

To

The General Traffic Manager,

B. B. & C. I. Railway Company,

BOMBAY.

Dear Sir,

I am directed to acknowledge receipt of your letter dated 2nd August 1920, No. T. B. 930/M regarding the question of Timings of Up-Gujarat Mail. My Committee think that it would be better if this question were discussed by a Deputation appointed by them with you at a Meeting. They have, therefore, appointed a Deputation consisting of the following gentlemen:—

Mr. S. E. Warden (Vice Chairman)

Hon. Mr. Chunilal Mehta,

Hon. Mr. Manmohandas Ramji,

Mr. Rewashanker Jagjivan,

Mr. J. K. Mehta (Secretary).

My Committee will be much obliged if you will kindly give an interview to this Deputation informing me of the time and place when it will be convenient for you to see them.

Yours faithfully,

J. K. MEHTA.

Secretary.

General Traffic Manager's Office

No. T. B. 930/M.

BOMBAY.

Dated 20th August 1920.

To

J. K. Mehta, Esq., M. A.,

Secretary,

The Indian Merchants' Chamber and Bureau,

19 Bank Street, Fort, Bombay.

Dear Sir,

Your letter No. T. 1461 of 18-8-20.

I hope to be in Bombay on Tuesday the 31st Instant. 12 hours on that date will suit me.

Yours faithfully,

Illegible.

Ag : General Traffic Manager.

T. 1484

26th August 1920.

From

J. K. Mehta, Esq., M. A.,

Secretary, The Indian Merchants' Chamber & Bureau.

BOMBAY.

To,

The General Traffic Manager,

B. B. & C. I. Railway,

BOMBAY.

Dear Sir,

With reference to your letter No. T. B. 930 M. D. 20th instant I have to inform you that the Members of the deputation shall be glad to have an interview with you on Tuesday 31st instant at 12 noon.

Yours faithfully,
J. K. MEHTA.
Secretary.

A deputation consisting of the following gentlemen saw Mr. Robinson, General Traffic Manager, of the B. B. & C. I. Railway in connection with the question of the timings of the Gujerat Mail :—

1. Mr. S. E. Warden,
2. The Hon'ble Mr. C. V. Mehta,
3. Mr. Rewashanker Jagjivan, and
4. Mr. J. K. Mehta, Secretary.

Mr. Warden pointed out that the Committee of the Indian Merchants' Chamber were not much concerned with the total period of time occupied by the Gujerat Mail for coming from Ahmedabad to Bombay as with the time of its arrival here. On account of its arrival at 11 A.M. and even later, merchants suffered a great inconvenience due to the late arrival of the post and the late receipt of the Hundies. It was also pointed out by the Hon'ble Mehta that it was not possible for passengers coming from Ahmedabad and upwards to return the same evening as they used to do before. Both the local and mail services were affected by the late arrival of the Mail and the deputation requested that the Gujerat Mail should be timed

to arrive in Bombay atleast between 8 & 9 A.M. Mr. Robinson gave a detailed reply pointing out that the chief difficulties in the way of the railway administration were the bad condition of the sleepers, locomotives, and want of stocks and materials on account of the repairing work and replanishing of stocks having been stopped practically altogether during the war-times. He said that the local traffic had increased immensely during the last five years, the number of passengers having increased from 200 lacs in 1914 to 300 lacs at present. While the passenger traffic had thus increased the railway administration had to pull on with only two lines and with a great congestion both in Colaba and Grant Road yards, making it impossible for them to cope with the increased traffic. These reasons were the cause of the late arrival of the Gujerat Mail. The Chief Engineer of the B. B. & C. I. Ry. had pointed out that it was not advisable to run the Mail train faster looking to the bad condition of the road. Nor could the train be made to start earlier from Ahmedabad looking to the inconvenience which would be caused to the other joining trains also. He suggested to the deputation that the Chamber might well write to the Postal Department to arrange for some Postal bags being sent from Ahmedabad to Bombay by the third-class Express which started from Ahmedabad at 6. 20 p.m. which would to a great extent remove the inconvenience of Bombay merchants with regard to the post.

The deputation withdrew after Mr. Warden had thanked Mr. Robinson for his interview.

J. K. MEHTA.

Secretary.

T./31.

13th October 1920.

From

J. K. Mehta, Esquire, M. A.,

Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To,

The Post Master-General,

General Post Office,

BOMBAY.

Sir,

I am directed by the Committee of this Chamber to address to you the following representation which, it is hoped, will receive your kind and early attention.

Through a recent change in the timings of the Gujarat Mail, the Up Mail is now arriving at Bombay at 11-10 A. M. This timing has proved to be extremely inconvenient to the Commercial Community, as it means a great delay in the Postal deliveries. Merchants find it very difficult to pack and forward goods on the same day on which they receive orders nor is it possible even to send replies immediately to all letters when the post is handed in after about 2 P. M. each day. The trouble and inconvenience are considerably enhanced in the case of Hundis which, my Committee are informed, cannot possibly be negotiated on the day on which they are received.

In consequence of the late delivery a Deputation of my Committee waited on the General Traffic Manager of the B. B. & C. I. Railway Co., who suggested that the Chamber might

well write to the Postal Department to arrange for some Postal bags being sent from Ahmedabad to Bombay by the third class Express which started from Ahmedabad at 6-20 P. M., which would to a great extent remove the inconvenience of the Bombay merchants with regard to the post.

My Committee beg to approach you with a request that a Postal Van be attached to the third class Express from Ahmedabad so that postal inconvenience to the commercial community may be removed.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA

Secretary.

No. 48399.

The Postmaster-General,

BOMBAY.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

19, Bank St. Bombay.

Dated Bombay the 16 Octr. 1920.

Sir,

I beg to acknowledge the receipt of your letter No. T/31, dated the 13th. Oct. 1920. The matter is receiving my attention.

I have the honour to be,

Sir,

Your most obedient servant,

Illegible.

For Postmaster General

APPENDIX 89

Legislation re- Registration of Business names and Registration of Partnerships.

No. 5545 of 1919.

Revenue Department.

Bombay Castle, 31st May 1919.

From

A. F. L. Brayne, Esqr., I. C. S.,

Under Secretary to the Government of Bombay.

To

The Secretary,

Indian Merchants' Chamber and Bureau.

Sir,

I am directed to forward a copy of Government Order No. 5544 dated 31st May 1919, regarding the proposed legislation in India on the lines of the United Kingdom Regisration of Business Names Act and Registration of Partnerships Act, with a request that you will favour Government with the opinion of your association on the proposed legislation on both the questions, *viz.* (1) the registration of business names and (2) the Registration of Partnerships, with particular reference to the difficulties arising out of the application of either measure to Hindu joint family concerns.

I have the honour to be,

Sir,

Your most obedient servant,

A. F. L. BRAYNE.

Under Secretary to Government.

Registration.

Proposed legislation in India on the lines of the United Kingdom Registration of Business Names Act and Registration of Partnerships Act.

GOVERNMENT OF BOMBAY.

REVENUE DEPARTMENT.

Order No. 5544.

Bombay Castle, 31st May 1919.

Letter from the Government of India, Department of Commerce and Industry, No. 1891 dated 14th April 1919.

" I am directed to enclose copies of the letters noted below* from the Governments of Bengal and Madras, suggesting that legislation should be undertaken in India on the lines of the United Kingdom Registration of Business Names Act, 1916.

*(1) From the Government of Bengal No. 1616-Com. dated the 22nd February 1918 and enclosure. (2) From the Government of Madras No. 2047 dated the 17th May 1918.

" 2. The object of such legislation would be twofold ; *viz:*—

(1) To identify alien interests ; and

(2) by compelling the disclosure of assumed names, to facilitate, by rendering more precise, commercial transactions.

It should be clearly understood that action would not be aimed at Indians who assume European names. There are not infrequent cases of Europeans trading under assumed names, in which disclosure of real names may seem desirable.

" 3. It will be observed from paragraph 234 of their report that the Indian Industrial Commission did not feel justified in making any recommendation for legislation on the lines

of the English Registration of Business Names Act. The Government of India are of opinion, however, that this opportunity should be taken of examining fully both the question of the registration of business names and that of the registration of partnerships, in respect of which it will be seen from paragraph 233 of their report that the Commission were in favour of legislation. The two questions to some extent overlap, and the compulsory registration of business names would necessitate a solution of the difficulties connected with the registration of partnerships which have been felt to be of great force on the several previous occasions on which the latter question has been considered. With particular reference to the difficulty of applying registration to Hindu joint family concerns, I am to invite opinions on the suggestion that the name of the Manager of joint Hindu family should be accepted in place of the details of the individual members as also on the cognate suggestion contained in paragraph 232 of the Industrial Commission's Report.

"4. The Government of India are unwilling to proceed with legislation on either question unless there is a general consensus of commercial opinion in favour of legislation. I am accordingly to request that, if there is no objection, the views of the commercial community, both European and Indian in Bombay on both questions, *viz.*, (1) the registration of business names and (2) the registration of partnerships, with particular reference to the difficulties arising out of the application of either measure to Hindu joint family concerns, may be obtained and forwarded to the Government of India together with an expression of the opinion of His Excellency the Governor in Council in the matter."

ORDER.—Copies* of the letter from the Government of India and its accompaniments together with extract paragraphs*

* Printed as accompaniments to this Order.

232—234 of the Report of the Indian Industrial Commission should be forwarded to the Chambers of Commerce, Bombay and Karachi, the Bombay Millowners' Association, the Indian Merchants' Chambar and Bureau, Bombay, the Bombay Presidency Trades Association, the Bombay Underwriters' Association, the Bombay Grain Merchants' Association, the Bombay Native Piece-Goods Merchants' Association and the Chairmen, Associated Exchange Banks, Bombay, with a request that they will favour Government with their opinions on the proposed legislation on both the questions, *viz.*, (1) the registration of business names and (2) the registration of partnerships, with particular reference to the difficulties arising out of the application of either measure to Hindu joint family concerns.

2. Copies of the letter should also be forwarded for favour of opinion to the Commissioner in Sind and the Commissioners of Divisions. They should be requested to consult such selected officers or business men in their Division as they may think fit.

A. F. L. BRAYNE,
Under Secretary to Government.

G. O. No. 5514, R. D., dated 31st May 1919.

To

The Commissioner in Sind,
The Commissioner, N. D.,

The Commissioner, C. D.,
The Commissioner, S. D.,

The Judicial Department
The Legal Department,

*The Secretary, Indian Merchants' Chamber and Bureau, Bombay.

*The Secretary, Bombay Presidency Trades Association,

*The Secretary, Bombay Underwriter's Association,

*The Secretary, Chamber of Commerce, Bombay,

*The Secretary, Chamber of Commerce, Karachi,

*The Secretary, Bombay Millowners' Association,

*The Secretary, Bombay Grain Merchants' Association,

*The Secretary, Bombay Native Pice-Goods Merchants' Association,

*The Chairman, Associated Exchange Banks, Bombay.

*(By letter).

No. of 1919.

Copy forwarded for information and guidance to

Accompaniments to Government Order, Revenue Department, No. 5544 dated 31st May 1919.

No. 1010—Com. dated the 22nd February 1918.

From—The Honourable Mr. J. Donald, M. A., C.I.E., I. C. S., Secretary to the Government of Bengal;

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to submit for the consideration and orders of the Government of India the enclosed copy of a letter, dated the 7th May 1917, addressed to this Government by the Calcutta Trades Association, on the subject of Indians trading under European names and titles. The Committee of the Association observe that the practice of assumption by Indians of European names which is common in India is productive of harm, and suggest that a Registration Act, drawn up on the

lines of the Registration of Business Names Act, 1916, now in force in the United Kingdom, be introduced into this country. The Committee of the Bengal Chamber of Commerce, who were consulted by this Government on the subject, support the proposal of the Calcutta Trades Association. The Committee of the Calcutta Import Trade Association have also expressed the opinion that the passing by the Government of an Act similar to the English Act for this country would go far to place trade on sounder footing.

2. The object of the suggested legislation is the registration of the true names of a person or persons trading under a business name, which does not consist of the true surnames of the individual or individuals, and a provision that persons trading under such names should show their true names on their catalogues and on all other papers in which the names appear. Although the proposal has been mooted primarily with a view to preventing Indian traders from concealing their identity under a European name or title, there is no intention that such traders shall be prevented from using any names they may choose, nor, as might possibly be gathered from the correspondence enclosed, that any distinction be made between British and Indian firms on the liens followed in the English Act as between British and alien firms. In regard to the latter consideration it would be necessary in any legislation to make provision on the lines of section 14 of the English Act to distinguish between alien and British (including Indian) firms, while Indians would not be required, of course, to state their nationality as prescribed by section 18 of the English Act.

3. The Governor in Council agrees that the proposal is a desirable one and he would favour its introduction into this country. Apart from the consideration which primarily induced the Trades Association to move in the matter, the adoption of a measure of this kind seems necessary in connection

with any measures for the regulation of alien trade in the future.

4. It has further suggested that, in legislating in this direction, steps might be taken with advantage to prohibit any registered firm, company or partnership from carrying on business in a name similar to that of any existing company registered under the Indian Companies Act, 1913 (VII of 1913), or so similar as to be calculated to deceive ; provided that no person or persons should be prevented from carrying on business whether singly or in partnership, under a name or names and style *bona fide* belonging to him or them. The Governor in Council agrees that a provision of this kind is necessary if the objects of the measure are to be fully achieved.

5. I am to add that the position of ancestral or joint-family business, which is so common throughout India, cannot be overlooked in dealing with this question. So far as Hindus governed by the Dayabhaga School of Hindu Law are concerned, there will be little difficulty in securing registration of all the partners because the sons and grandsons of the originally registered partners will have no interest in the firm, so long as the latter are alive. In the case of Hindus governed by the Mitakshara School, however, there is likely to be some difficulty since in such cases a son born to any one of the partners will become a partner the moment he is born, and in this way there may be changes in the number of partners many times in the year by births and deaths. It is only the registration of partnerships affecting the management of the business which is really aimed at.

Dated 7th May 1917.

From—The Secretary, Calcutta Trades Association :

To—The Secretary to the Government of Bengal, Financial Department, Commerce Branch.

1. I have the honour, by direction of the Committee of the Calcutta Trades Association, to address you on the subject of Indians trading under European names and titles.

2. The assumption by Indians of European names for trading purposes is largely, if not wholly, induced by the anticipation that such names will, by inspiring greater confidence, tend to increase business and ensure extended credit in wholesale transactions, and the committee are of opinion that the practice is not common to Calcutta alone but applies equally to all Presidency Towns throughout India, and in a lesser degree, to the larger towns. The committee, therefore, submit that the practice is productive of harm and injury, inasmuch as (*a*) firms in England and other countries are misled in correspondence on business matters by the titles and signatures of European names by those who assume them, (*b*) bankers are similarly misled by signatures on documents, believing that the firms or individuals subscribing assumed names are Europeans, and (*c*) people residing in the mofussil and district are also misled in their dealings with those persons who assume European names.

3. In this connection I am to draw your attention to the "Registration of Business Names" Act which has recently come into force in the United Kingdom, whereby all persons carrying on business in the United Kingdom must trade under their own names or submit to registration. The committee are of opinion that an act drawn up on somewhat similar lines is

very necessary in India, in order to check effectually the practice resorted to by Indians of adopting European names and titles for business purposes, thereby not only deceiving the public as to the composition of such firms, but also rendering it difficult, where recourse to law is necessary to trace the actual proprietors thereof.

4. The committee are in a position to furnish, if it be considered necessary, concrete examples of so styled European firms, the owner or partners of which are native of India.

5. In conclusion, I am to say that in the opinion of the committee, the only manner in which this undesirable state of things can be remedied is by the introduction of a Registration Act, and they express the hope that you will be good enough to submit this letter to the Government of India for consideration.

No. 2047 dated 27th May 1918.

From—The Hon'ble Mr. A. R. Knapp, I. C. S. Acting Revenue Secretary to the Government of Madras ;

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to state that in a letter dated 17th August 1917 the Madras Trades Association urged on this Government the desirability of introducing Indian Registration of Business Names Act similar to that recently introduced in the United Kingdom and requested that the question might be placed before the Government of India for consideration. The Chamber of Commerce, Madras, in a letter dated 5th September 1917 supported this proposal.

2. The Board of Revenue, Separate Revenue, the Director of Industries, Madras, and the other Chambers of

Commerce, both European and Indian, whose opinions were asked on the question whether such legislation might be usefully introduced and if so, whether it should be made applicable to (*a*) all firms or (*b*) exporting firms only, are generally in favour of universal legislation. The Southern India Chamber of Commerce, Madras, while supporting the proposal, points out certain difficulties in applying the proposed act to Hindu joint family concerns. These difficulties will arise only with reference to section 18 (1) of the English Act and could easily be overcome by a provision allowing the name of the Manager of a joint Hindu family to be accepted in place of the details of the individual members.

3. His Excellency the Governor in Council agrees with the official and non-official opinions which he has consulted and considers that the introduction of an Indian Registration of Business Names Act would be a salutary measure tending to prevent peaceful penetration by aliens, and to raise the standard of commercial morality. He would accordingly recommend that legislation on these lines should be undertaken in due course.

EXTRACT PARAGRAPHS 232 @ 234 OF THE REPORT OF THE INDIAN INDUSTRIAL COMMISSION, 1916-18.

Registration of Partnerships.

232. The vexed question whether registration of partnerships should be made compulsory has been many times under the consideration of the Government of India within the past 50 years. The last occasion was in 1908, when the Bengal and Bombay Chambers of Commerce both prepared draft bills dealing with the subject; but their drafts were irreconcilable, and Government considered that the proposals did not afford a basis for legislation.

During our tour we recorded the opinions of many witnesses on the subject; most of them favoured compulsory registration, should it prove to be practicable, but some, especially amongst our Indian witnesses, feared that the prevalence in Indian businesses of the Hindu joint family system would be found an insuperable obstacle. Mr. B. L. Mitter, a leading Barrister of the Calcutta High Court, has made some valuable suggestions* which, we think, should go some way to remove this difficulty; these he developed further when he appeared before us to give oral evidence in support of his written statement, and also gave us to understand that the leaders of the Calcutta Bar generally were in substantial agreement with his views. Mr. Mitter's proposals practically treat a Hindu joint family as a single partner, and provide for the compulsory registration of all contractual partnerships. So long as the business is a purely joint family business, with no stranger in it, registration would not be necessary, but directly a stranger is introduced into the business, the partnership would become contractual, the contracting parties being the joint family as a unit on the one side, and the stranger on the other. Registration would then become necessary, and the joint family would be registered in the name of the *karta* or head of it, whose declaration would bind all the family. Mr. Mitter considers that registration should be made compulsory in the case of future partnerships only, and would leave to existing concerns the option of registering or not as they may desire, his argument being that, as all partnerships have to be renewed when the terms are changed, or a partner dies, compulsory registration would become universal within a generation.

The other chief obstacles in the past to the introduction of compulsory registration have been, first, the difficulty of excluding, and the hardship of including, small partnerships, of which

* Minutes of Evidence, Vol. V.

there must be many thousands among petty shop-keepers and traders in all parts of the country; and second, the difficulty of applying registration to transitory or single-venture partnerships, which are said to be common on the Bombay side. We see no reason why either small or single-venture partnerships should be exempted from the provision of any legislation that may be found practicable; for to the former the analogy of customs in petty transactions in land would apply, and, as Mr. Mitter points out, these are habitually registered without any trouble and at a very trifling cost; and the latter should be, and are, governed by the law which regulates partnerships. To meet in part these suggested difficulties, it has been proposed that a compulsory Registration Act, if introduced, should run at first in the Presidency towns only; but we see no need for this restriction.

233. Looking at the matter in its purely business aspect, it appears to us that throughout the main stumbling block in the way of compulsory registration has been the Hindu joint family system, and that the difficulties in this regard would to a great extent disappear, if Mr. Mitter's proposals were adopted; they have at any rate the two great advantages that a joint family can be registered as a single entity, and that it would be difficult for a person to deceive third parties by pretending that he was a partner, when in fact he was not or *vise varsâ*. We, therefore, consider that Government should take an early opportunity of examining the whole question thoroughly with a view to legislation, and in so doing should invoke the assistance of the leading non-official lawyers in the chief business centres; for we believe that few among minor measures would do more to develop confidence and promote business relationship between Indian firms and their constituents abroad, and especially between European and Indian firms in this country.

We do not consider any system of optional registration in the least likely to achieve the desired results.

Registration of Bussiness Names.

234. It has been urged upon us in some quarters, especially by Trades Associations, whose members have probably suffered most from the absence of it, that we should recommend legislation on the same lines as that recently enacted in the United Kingdom under war conditions, to enforce the registration of business names. This is, however, a question on which comparatively little evidence has been forthcoming, and we do not, therefore, feel justified in making any recommendation.

T. 44.

25th September 1919.

From

The Secretary,

The Indian Merchants' Chamber & Bureau,

BOMBAY.

To

The Secretary to Government of Bombay;

Revenue Department,

BOMBAY.

Sir,

With reference to your letter of the 31st May 1919 No. 5545 of 1919, I am directed to send hereby views of the Committee of this Chamber regarding Registration of partnerships and Registration of Business Names.

The question of the Registration of partnerships was much discussed in 1908 and 1909 and the Government of India as a result of all that discussion arrived at the decision that they could not move in the matter until several Chambers of Commerce in India were agreed as to the form which the proposed legislation should take, and until it could be shown clearly that the difficulties with which the question was beset could be overcome. The question appears to have been revived through letters from the Calcutta and Madras Trades' Associations to their respective Governments. The former observed that "the practice of assumption by Indians of European names which was common in India was productive of harm" and suggested that a registration Act drawn up on the lines of the Registration of Business Names Act 1916, now in force in the United Kingdom, be introduced into this country. The latter urged on the Government of Madras the desirability of introducing an Indian Registration of Business Names Act similar to that recently introduced in the United Kingdom. This opportunity was taken by the Government of India of reconsidering the question of the Registration of Partnerships specially as the Indian Industrial Commission was in favour of legislation regarding the latter question.

My Committee are of opinion, as is shown below, that there is no necessity for the introduction of the Registration of Business Names Act in this country. The object of such a legislation is stated to be twofold :

(1). To identify alien interests.

(2). By compelling the disclosure of assumed names, to facilitate, by rendering more precise commercial transactions.

The problem of alien interests is not acute in this country where the very great majority of trading firms have no alien

partners as in the United Kingdom and my Committee feel that under this excuse certain interests want to have legislation to prevent Indians from assuming European names for which they have been agitating since 1909. This question as my Committee pointed out in 1909 is of a petty character and depends upon individual whims with which it is not necessary for the Government to interfere. Changes with regard to such matters can only take place by the operation of unwritten Social laws. My Committee have reasons to believe that the practice of the assumption of European names by Indian firms is getting out of favour and that before long there will be hardly few Indian firms with European names excepting firms of old standing who may have purchased the good will of European firms.

With regard to the second object of the proposed legislation my Committee are not aware of any difficulties in the way of getting information regarding commercial firms which would be removed by any legislative measures. Registration of Partnership has been advocated for the same reasons which are urged for the legislation of business names but the Committee feel that even with regard to this proposal there is no validity in reasons advanced. One principal object with which this measure is advocated by the European Chambers of Commerce is so called facility which will be afforded to them of getting information about Indian commercial firms. The facility however already exists, as has been shown below, in as much as most of the High Courts have in their rules a provision whereby a firm can sue or be sued in its name and style without the necessity of making each individual partner party plaintiff or a dsfendant as the case may be. It is also provided that a plaintiff or a defendant may compel his adversary

to disclose the names of the individual partners constituting and composing the firm which is suing or being sued. The proposal for the registration of Partnerships appears well on paper and my Committee would have favoured it but that they find numerous difficulties in its practical working. There is the great difficulty of Hindu Joint families which is not removed by Mr. Mittra's suggestion for reasons which are given below. There are also the difficulties connected with partnerships formed for only one single transaction of which there is any number among several trades, notable among these being Pearls and Shares.

The compulsory registration of partnership is not practicable as it is very common for a firm in India to consist entirely or mostly of members of a Hindu Joint family. Under the system of law prevailing in many provinces in India and known as the Mitakshara every person born into that family becomes a partner in the family business or trade by birth and ceases to be so by death. If registration of partnerships is made compulsory every birth and death in a family trading concern would have to be registered. This is not considered practicable and the result would be that the register would usually be incomplete and misleading. If the proposed legislation includes penalties for non-registration they would work harshly and unfairly on infant partners whose names have not been registered.

According to the prevailing practice in family trading firms some of the members become managing partners and have the power to bind the other members by their acts. It is not proper therefore to register the Karta that is the eldest member as the only partner representing the family as suggested as that would be an unjustifiable encroachment on substantial rights of the other partners.

Looking to the numerous difficulties of registration in the case of joint family firms and in the case of small partnerships of which there are many thousands in India and in the case of single ventures any provision imposing penalties for default for registration would work with great hardship on innocent partners. There will inevitably be a great many number of partnerships who have not complied with the law of registration and whose affairs would not be in consequence investigated by the Courts. The result will be that a partner who has got possession of moneys or goods will be able to defraud the other partners who can get no relief in Court because of non-registration.

The principal reason that has been suggested for the proposed legislation is that creditors are often unable to obtain their dues from the real partner in a firm where the firm does not include the names of all the partners. The difficulty however has disappeared since the enactment of the New Civil Procedure Code of 1908 which provides effective machinery for the disclosure of the names of partners in the firm against whom a suit has been filed.

My Committee are not aware of any other difficulty that has arisen in the Courts in Bombay in enforcing rights against the real members of a firm.

I have the honour to be,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

APPENDIX. 90

Chamber's protest against the recommendations of the Meston Committee.

Telegram 28th June 1920.

To

The right Honourable the Secretary of State for India.
LONDON.

The Committee of the Indian Merchants' Chamber beg to protest respectfully but emphatically against recommendations of Meston Committee which leave Bombay Presidency without adequate heads of growing revenue. The simplest and most logical course is a clean cut between the Imperial and Provincial Governments by making all direct taxation Provincial and all indirect taxation Imperial. Meston Committees recommendations are arbitrary unsound and prejudicial to the interests of Bombay Presidency. The Committee plead for income-tax as wholly provincial head of revenue. Objection to this neither substantial nor insuperable. Unless this is conceded the Reforms will financially have a bad start in Bombay. The Indian mercantile community and public apprehend Meston Report as affecting Bombay a source of greatest difficulty and handicap to ministers. No other handicap could be more serious and effective. We appeal to you and Parliament to remove the threatened financial injustice to this Presidency and help to ensure a chance of success to the Reform scheme.

Jehangir Petit Chairman Indian Merchants' Chamber.

APPENDIX 91

Proposal for Provincial Departments of Industries.

Revenue Department,

Secretariat.

Bombay, 10th June 1919.

Dear Mr. Mehta,

In reply to your letter dated 2nd June 1919 to Mr P. J. Mead, C. I. E., I. C. S., Chief Secretary to Government, I am desired to state that it is not clear on what points the United Provinces Government have consulted the Upper India Chamber of Commerce regarding the recommendations of the Indian Industrial Commission. Presumably, however, the questions dealt with by that Government were in particular the proposals for provincial departments of Industries, on which this Government was consulted by the Government of India and has already replied early in April last. It may be noted that the Director of Industries submitted a report to Government after discussion with his Advisory Committee, on which commercial interests are fully represented.

Yours sincerely,

A. F. L. BRAYNE.

To

J. K. Mehta, Esq., M. A.,

Secretary, The Indian Merchants' Chamber & Bureau,

Bombay.

5th August 1920

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Secretary,

Revenue Department,

Government of Bombay,

BOMBAY.

Sir,

With reference to the correspondence ending with the D. O. letter of Mr. A. F. L. Brayne, I. C. S, dated the 10th June 1919, I am directed by the Committee of this Chamber to express their regret that the commercial community was not consulted with regard to such important questions as the proposals for Provincial Departments of Industries on which the Government of Bombay was consulted by the Government of India. It is stated in the D. O. referred to above that "the Director of Industries submitted a report to Government after discussion with his Advisory Committee on which commercial interests are fully represented." My Committee understand that the opinion which was sent by the Director of Industries was his own and not that of the Advisory Committee. Not only this but further, it must be remembered that the Advisory Committee to the Director of Industries consists of several representatives from different institutions and any consultation of the Committee only cannot possibly be called the consultation of the different commercial bodies. The opinion given by the Advisory Committee may or may not be on the same lines as the views held by the different commercial bodies. It is not therefore difficult to understand why the United Provinces Government consulted commercial bodies regarding the aforementioned proposals of the Industrial Commission though they have also a Director of Industries with an Advisory Committee.

My Committee beg to suggest, that if it is not too late the commercial community may be consulted regarding these proposals now. In any case, they trust that in future whenever any important questions arise, the commercial community will be consulted as heretofore and the Advisory Committee inspite of all its importance will not be considered to adequately take the place of the former.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No. 9175 of 1919.

Revenue Department.

Bombay Castle, 5th September 1919.

From

Shamrao D. Mankar, Esquire,

Acting Under Secretary to the Government of Bombay ;

To

The Secretary,

Indian Merchants' Chamber and Bureau.

Sir,

With reference to your letter dated 5th August 1919, I am directed to state, for the information of your Chamber, that the Government of Bombay have already submitted their opinion on the proposals for the Provincial Departments of Industries, and that the Chamber need have no apprehensions that they will not be consulted in accordance with the usual

practice of Government on all questions on which their opinion is likely to be of value.

I have the honour to be,

Sir,

Your most obedient servant,

.....

For Acting Under Secretary to Government.

APPENDIX 92

The Imperial Bank Bill.

T. 1488.

SIMLA.

The Committee of the Indian Merchants Chamber and Bureau beg to suggest with regard to the Imperial Bank Bill now before the Select Committee that Section 27 must be so modified as to provide for there being atleast one Indian among the Presidents and vice-Presidents of all Local Boards who are to be Ex-officio Directors of the Central Bank. Section 28 Sub-Section 1 (3) should be so amended as to provide for the two persons to be nominated by the Governor-General in Council being qualified Indians. These changes my Committee think are absolutely essential for securing to Indians atleast some representation on the Central Board of the Imperial Bank and my Committee earnestly hope that they will be accepted and embodied in the main Bill.

Jehangir Petit Chairman.

APPENDIX 93

The Finance and Currency Policy of the Government of India.

No. 734-F.

Government of India.

Finance Department.

Delhi, the 4th March 1920.

From

A. V. V. Aiyar, Esq., B. A., C. I. E.,

Assistant Secretary to the Government of India,

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to acknowledge the receipt of your letter dated the 27th February 1920,* submitting the views of the Committee of the Indian Merchants' Chamber on the Report of the Indian Currency Committee and to say that it will be laid before the Government of India.

I have the honour to be,

Sir,

Your most obedient servant,

A. V. V. AIYAR,

Assistant Secretary to the Government of India.

No. 788-F.

Government of India.

Finance Department.

Delhi, the 8th March 1920.

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* Vide page 401.

From

The Hon'ble Mr. E. M. Cook, C. I. E., I. C. S.,
Offg : Secretary to the Government of India,

To

The Secretary,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

In continuation of Mr. Aiyar's letter No. 734-F., dated the 4th March 1920, I am directed to say that your letter of the 27th February, containing the views of your Committee on the majority Report of the Indian Exchange and Currency Committee, has been laid before the Government of India and is now being forwarded to the Secretary of State for India.

2. Your Committee doubtless do not expect the Government of India at this stage to reply seriatim to the various arguments contained in your letter, traversing the recommendations of the majority Report of the Currency Committee. The Honourable Finance Member will, however, be very glad, in response to the invitation conveyed in the last paragraph of your letter, to meet your Committee during his forthcoming visit to Bombay, and to discuss with them any questions which they would like to raise regarding either the Currency Committee's Report or the present exchange situation.

3. As regards the particular matter of the sale of reverse Councils, regarding which representations have been received from your Committee, I am to say that the Government of India are in continuous telegraphic communication on the

subject with the Secretary of State, who has been kept fully informed of the feeling entertained on this matter by the Indian commercial community in Bombay.

I have the honour to be,
Sir,
Your most obedient servant,
E. M. COOK,
Offg : Secretary to the Government of India.

No. T. 632

17th February 1920

From

J. K. Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary,
Finance Department,
Government of India,
DELHI.

Sir,

I beg to confirm here by the following telegram sent to you to-day :—

"The Committee of the Indian Merchants' Chamber view with great alarm the action of the Government in selling Reverse Councils at such high and fluctuating rates, propping up an artificial and an arbitrary rate of exchange, killing export trade and causing grave stringency in the money market by

directly encouraging the withdrawal of British capital from India and the export of Indian capital. The motive for such action is not clear and commercial public would welcome a statement of policy immediately explaining the reason for such action. The Committee strongly deprecate these sales and urge their immediate abandonment as under present artificial conditions they are in the opinion of the Committee absolutely unjustifiable. In the meanwhile in view of the enormous harm being done and likely to be done to trade and industry by the withdrawal of funds from the market, Committee urge that immediate relief should be given as far as necessary by the release of funds thus withdrawn through Presidency Banks. Government should arrange through them for freely discounting Treasury Bills and not only advancing against them. Popularity and prestige of Treasury Bills are at the moment affected. Government should also insist on free advances at reasonable rates against commercial bills. Committee further urge publication of evidence of the report of the Currency Committee. Copy sent to Secretary of State London. Jehangir Bomanji Petit, Chairman".

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No. 545-F.

Government of India.

Finance Department.

Delhi, the 19th February 1920.

From

A. V. V. Aiyar, Esq., B. A., C. I. E.,

Asstt. Secretary to the Government of India,

To

The Chairman,

Indian Merchants' Chamber and Bureau, Bombay.

Sir,

I am directed to acknowledge the receipt of your telegram dated the 17th February 1920, regarding the sale of reverse Councils by the Government of India, and to say that it will be laid before the Government of India. They note that a copy of the telegram has been sent to the Secretary of State for India.

I have the honour to be,
Sir,
Your most obedient servant,
A. V. V. AIYAR,
Asstt. Secretary to the Government of India.

No. 1457-F.

Government of India.

Simla, the 13th May 1920.

From

M. M. S. Gubbay, Esq., C. S. I., C. I. E., I. C. S.,

Secretary to the Government of India,

To

The Chairman,

Indian Merchants' Chamber and Bureau, Bombay.

Sir,

The Government of India have been informed by the Secretary of State for India that your Chamber has brought

to his notice that no reply has yet been received from him to the telegraphic representation on the subject of the sale of reverse councils which you addressed to him on the 17th February last. I am directed to explain for the information of your Chamber that soon after receipt of the telegram in question, the Secretary of State asked the Government of India to acknowledge it on his behalf, but as it was a repetition of a representation addressed to the Government of India and the latter had been acknowledged in the letter from this Department No. 545-F., dated the 19th February, it was considered unnecessary to send you a separate acknowledgment on behalf of the Secretary of State.

4. As your Chamber is aware, the policy underlying the sale of reverse councils has been explained at length in the Legislative Council, in press announcements and in interviews with your Chamber and other public bodies. The Government of India have been and are, in the closest correspondence with the Secretary of State in the matter, the suggestions and criticisms of public bodies receive the fullest consideration, and the Secretay of State is kept regularly informed of the course of public opinion in India. Your Chamber will no doubt recognise that it is not possible for the Secretary of State to deal direct with representations from individual bodies in this country.

I have the honour to be,

Sir,

Your most obedient servant,

M. M. S. GUBMAY.

Secretary to the Government of India.

No. T. 720.

28th February 1920

From

J. K. Mehta, Esquire, M. A.,
Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary,
Government of India, ;
DELHI.

Sir,

I beg to confirm hereby the following telegram sent to you on the 27th instant.

"With reference Reverse Councils Committee of Indian Merchants' Chamber await satisfactory reply to their previous representation. They regret Press Communique of 23rd instant and fear that change in method of allotment puts invidious responsibility on the Officer in charge of allotment and will affect Indian commercial community unfavourably. It is regarded as an effort to reserve Reverse Councils for vested interests such as Exchange Banks and the European commercial community generally who have their own offices or other facilities in London. Committee suggest that minimum amount of applications should be £1000 and all such minimum applications should have preference. They further recommend that names of allottees with amounts allotted be published weekly. Jehangir Bomanji Petit, Chairman."

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

No: 739-F.
Government of India.
Finance Department.
Delhi, the 4 March 1920.

From

The Hon'ble Mr, E. M. Cook, C. I. E., I. C. S.,
Offg : Secretary to the Government of India,

To

The Secretary,
Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed to acknowledge the receipt of your telegram of the 28th February 1920, in which the Committee of your Chamber ask for the publication of information regarding applications and allotments for Reverse Councils and to say that a further communication will follow.

I have the honour to be,
Sir,
Your most obedient servant,
A. V. V. AIYAR.
for Secretary to the Government of India.

T. 1169

19th June 1920

From

The Secretary,
The Indian Merchants' Chamber & Bureau,
BOMBAY.

To

The Secretary,

Finance Department,

Government of India,

SIMLA.

Sir,

I beg to confirm hereby the following telegram sent to you to-day.

"The Committee of the Indian Merchants' Chamber very strongly protest against the continuance of the sale of Reverse Councils. The difference between the rate at which bills were sold on the 15th instant and the market rate was as much as 8d per rupee entailing a loss of over thirty lacs of rupees on the country in this one sale only. Committee further point out that the objects of supporting exchange which Government claim to have in view has altogether failed and there has been a far greater want of stability since the present policy was inaugurated. Committee further beg to draw Government's attention to the present rate of silver while makes it possible to secure whatever silver may be required for coinage and still maintain the old ratio of rupees fifteen to the sovereign. Committee urge that in view of the altogether changed position of silver supplies and prices the necessity for any change in India's standard unit of one-fifteenth of the sovereign no longer remains. They therefore urge an immediate revision of Government's present policy and a reversion to the old ratio. Mehta, Secretary, Indian Merchants' Chamber."

I have the honour to be,

Sir,

Your most obedient servant,

J. K. MEHTA.

Secretary.

No.1837-F.

Government of India.

Finance Department.

Simla, the 23rd June 1920.

From

The Hon'ble Mr. M. S. Gubbay, C. S. I., C. I. E., I. C. S.,

Secretary to the Government of India.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to reply to your telegram dated the 16th June protesting against the continuance of the sales of Reverse Councils and representing, with reference to the present price of silver, that there is no necessity for any change in the legal tender value of the sovereign, which, in the opinion of the Chamber, should be maintained at 15 Rupees. Your Chamber conclude by urging on Government an immediate revision of their present policy and reversion to the old ratio of Rs. 15 to the pound.

2. In reply, I am directed to invite the attention of your Chamber to the Press Communique issued on the 21st June. The ratio of Rs. 10 to the pound was recommended to the Government of India and the Secretary of State by an authoritative Committee, and the Government of India regret that they are unable to modify the decision to adopt this ratio

which was arrived at by the Secretary of State and the Government of India on a full examination and acceptance of the reasons supporting the Committee's recommendation.

I have the honour to be,

Sir,

Your most obedient servant,

M. M. S. GUBBAY,

Secretary to the Government of India.

T. 880.

" 29th March 1920.

From

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

To

The Secretary,

Finance Department,

Government of India,

SIMLA.

Sir,

I am directed by my Committee to draw your attention to their telegrams of the 25th February and 15th March, requesting that minimum amounts of applications for Reverse Councils should be fixed at £1,000/- sterling; that all such minimum applications should have preference and that names of applicants and allottees with the amounts allotted to each person should be published weekly. The Finance Sub-Committee of this Chamber pressed these points upon the attention of the Hon'ble Mr. Cook, Secretary to the Finance Department, who met them recently. My Committee regret that they have hitherto not received any reply regarding these and other

suggestions. In the meanwhile, the trade has been suffering from the adverse effects of a policy against which timely warning was given by my Committee but which was unfortunately continued without any modification. These adverse effects were pointed out by the telegrams addressed to your department by the Bombay Native Piece-Goods Merchants' Association and the Bombay Diamond Merchants' Association complaining that the disabilities in the way of bonafide remitters of moderate means were great and that there was very little chance under the regulations in force for such remitters to get any allotment at all. Under the present circumstances, the percentage of the allotments to the total number of applicants comes to merely 1½ to 2 per cent which means that if a remitter wants an allotment of even £5,000/ strerling which is the minimum, he must apply for £2,50,000 sterling. Obviously this has led to speculative tenders for enormous sums of which we have heard so much recently. It is mainly the Banks that benefit under such rules. As for the small parties, any one that desired to get at least £5,000/- allotted had accordingly to apply for £250,000 and to put up a margin of 20 per cent or £50,000 *i. e.* ten times the amount likely to be allotted to him. But, under a recent Notification, all tenders are required to be accompanied by a cheque for 50 per cent of the amount. It may have been intended through this measure to still further eliminate speculation ; but my Committee fear that the only effect will be to give the monopoly of these remittances more completely than now, to the Banks and large firms, to the detriment of all bonafide remitters of small means. This cannot be deemed justifiable on any account and is not a solution in any way of the present difficulties, as the profits at the Government rate are so enormous that rich speculators will continue to find the means of being

selected. My Committee submit that this step of further increasing the margin, while being ineffective in keeping out the rich speculators, will create a very bad impression on the public mind. My Committee while maintaining that the sale of Reverse Councils must be stopped at once, beg to suggest that if they are continued, it will be doing bare justice to small bonafide remitters if the minimum amount of applications is fixed at £1,000/- and given a preference. It may also be well considered if it will not be beneficial to accept tenders on a competitive basis. This will tend to remove complaints of favouritism to a particular class, as also to narrow the gap between the Government rate and the market rate a provisional goal which was recently announced by the Hon'ble the Finance Member on behalf of the Government and regarding which the Government of India are in communication with the Secretary of State.

In conclusion my committee beg again to request that while this harmful policy of selling Reverse Councils is being pursued, atleast a weekly list of applicants with the names of the different allottees and the respective amounts allotted to each should be published.

I beg to remain,
Sir,
Your most obedient servant,
J. K. MEHTA.
Secretary.

No. 1154-F.
Government of India.
Finance Department.
Simla, the 8th April 1920.

From W. Alder, Esq., M. A., O. B. E., I. C. S.,
Offg : Secretary to the Government of India,

To

The Secretary to the
Indian Merchants' Chamber & Bureau,
Old Telephone Buildings, 19, Bank Street,
BOMBAY.

Sir,

I am directed to acknowledge the receipt of your letter No. T. 880, dated the 28th March 1920, in which the Committee of your Chamber make certain observations with regard to the sale of Reverse Councils and to say that it will be laid before the Government of India.

I have the honour to be,
Sir,
Your most obedient servant,
A. V. V. AIYAR
for Offg : Secretary to the Government of India.

No. 1230-F.
Government of India.
Finance Department.
Simla, the 17th April 1920.

From

W. Alder, Esq., O. B. E., I. C. S.,
Offg : Secretary to the Government of India,

To

The Secretary,
The Indian Merchants' Chamber and Bureau,
19, Bank Street, Bombay.

Sir,

In continuation of my letter No. 1154-F., dated the 8th April 1920, I am directed to state that your letter No. T. 880,

dated the 29th March 1920 was received at a time when the Hon'ble Finance Member was visiting Bombay. In the course of this visit he had the opportunity of discussing the points raised in your letter with your Committee.

2. The specific recommendations made by your Committee were that, failing the discontinuance of the sale of Reverse Councils, the minimum amount of applications should be reduced to £ 1,000, that the raising of the deposit accompanying applications to 50 per cent of the amount applied for should be withdrawn, and that the names of allottees should be published.

3. It was pointed out at the meeting in Bombay that the reduction of the minimum amount of application was likely to lead to practical difficulties through the impossibility of satisfying in full even minimum tenders, should the number of these be considerable. It was feared that in this case little benefit would be derived by individual allottees from the insufficiency of the amount of Reverse Councils received by them.

4. The raising of the deposit accompanying cheques was, as understood by your Committee, introduced with the object of reducing speculation. This end your Committee consider that the measure taken is not calculated fully to secure. Since your letter was written, however, the difference between the rate at which Reverse Councils are sold and the market rate has sensibly decreased. Your Committee will probably agree that the potential effect of a 50 per cent. deposit in checking speculation is materially enhanced in the altered circumstances, which involve a much lower profit to the remitter through the purchase of Reverse Councils. The elimination of speculation, if this can be effected, will doubtless be welcomed by your Committee.

5. It was explained in Bombay to your Committee that any discrimination amongst applicants for Reverse Councils has been dropped, and in these circumstances your Committee will no doubt recognise that the publishing of the names of allottees serve no very useful purpose.

6. In conclusion, I am directed to state that the whole question of the sale of Reverse Councils continues to receive the close attention of the Government of India, and that any suggestions put forward by your Committee in this connection will not fail to be fully considered.

I have the honour to be
Sir,
Your most obedient servant,
W. ALDER,
Offg: Secretary to the Government of India.

T. 1058.
Bombay, 20th May 1920.

From
J. K. Mehta, Esquire, M. A.,
Secretary, Indian Merchants' Chamber and Bureau,
Bombay.

To
W. Alder, Esq. M.A., O.B.E., I.C.S.,
Offg. Secretary to the Government of India,
Finance Department,
Government of India,
SIMLA.

Sir,

I am directed to acknowledge the receipt of your letter of the 17th instant No. 1230-F which broke for the first time

the monotony of silence on the part of the Government. My Committee have during the last few months, since in fact Currency troubles began, addressed to the Government no less than 10 telegrams and 2 letters but this is the first time that they have received a letter which goes at all into some details. My Committee ask me to convey their thanks to you for this detailed letter and to express a hope that in future the Government would be pleased to send replies to their communications. Even though replies received from the Government may be at variance with the views of the Committee, they will always be welcome for nothing makes the general public so restless. impatient and suspicious of motives of Government, as absolute silence with regard to all the communications from a public body which indicates indifference on their part.

2. My Committee are sorry to point out that your reply is far from being satisfactory. All the criticism directed by my Committee against the Currency and Exchange policy of the Government remains unaffected by this reply as no attempt has been made to refute any of the points raised in the previous communications of the Committee. It is pointed out in your letter that the difference between rates at which Councils are sold and the market rate has sensibly decreased. The fact however that there is very little margin now is no excuse for the sale when the difference was great. Even at the present rate a profit of one pence per rupee is not a trifling amount and the whole policy of selling Reverse Councils remains as before without any justification.

3. My Committee cannot agree that the potential effect of a 50 per cent deposit is to check speculation. The only effect so far as my Committee can see is that the bigger capitalist gets preference over smaller remitters. The sale of

Reverse Councils in the manner and method in which it is undertaken is essentially bound up with speculation and the frenzy will not subside till the iniquitous policy is put a stop to.

4. It is mentioned in the fifth paragraph of your letter that "any discrimination amongst applicants for Reverse Councils has been dropped, and that in these circumstances the publishing of the names of allottees would serve no very useful purpose." My Committee regret that they cannot agree with this line of reasoning. The statement now made by the Government that discrimination has been dropped practically amounts to an admission that there was a discrimination. My Committee had at the time pointed out, as strongly as they could, the feeling of strong resentment and indignation of the Indian commercial community against this very discrimination amongst applicants. If it has been dropped my Committee would like to know reasons for its being used at all. They urge even now that the names of allottees and applicants with the amounts allotted should be published as the hesitation of the Government in publishing these lists, for so long a time, has naturally made my Committee and the commercial community very suspicious. They cannot conceive what objections Government can have to such a publication.

5. My Committee are much obliged for the assurance given by you that the whole question of the Reverse Councils continues to receive the close attention of the Government of India. These mutual consultations between the Government of India and the Right Honourable the Secretary of State for India have already gone on for several months and it is hoped that before long they will result in the present Currency and

Exchange policy of the country being radically altered and any action taken on the majority report of the Currency Committee being suspended.

I beg to remain,

Sir,

Your most obedient servant,

J. K. MEHTA,

Secretary.

APPENDIX 94

Interviews with Government Officials.

Interview of the Hon'ble Sir George Barnes, Member for Commerce, Government of India, with the Committee of the Chamber on 26th November 1919.

Speech of Mr. Jehangir Bomanji Petit, Chairman of the Indian Merchants' Chamber.

I beg to express my Committee's pleasure at meeting you again after your recent holiday and the thank you for giving them an opportunity of personally discussing with you, some important matters relating to the Trade and Commerce of the country.

Tariff Valuation.—The first subject to which my Committee would like to draw your attention, relate to the procedure followed at present by the Government for fixing the Tariff Valuations for each year. It is not necessary for me to enter into a history of the question, as a representation on the subject on behalf of my Committee, has already been submitted to you through the Government of Bombay. My Committee would however like to observe that the procedure under which they have been hitherto represented at the Tariff

Valuation Conference by only one or two members, invited through the Bombay Chamber of Commerce, has not been found satisfactory. It was therefore suggested to the Director-General of Commercial Intelligence that the present practice should be substituted by a separate Conference between him and the Committee of this Chamber. This reasonable request was unfortunately not accepted. My Committee then proposed an alternative, by way of compromise, that they should be invited in a body to take part in the Conference. Unfortunately, even this suggestion was not accepted. We venture to hope, Sir, that this matter will receive your favourable consideration and that you will be able to appreciate the force of my Committee's contentions.

Restriction on Dye-Stuffs:—The next question which has been engaging the attention of my Committee for the last several months is the recent Notification No. 6993 of the Government of India, imposing unnatural and unjustifiable restrictions upon the free import of Dye-stuffs in India. My Committee pointed out in their first telegram of protest that the action taken was in the nature of a monopoly and a protective measure for the British Dye-manufacturers; was wrong in principle and indefensible from the standpoint of India's interests—sentiments, which I beg to reiterate on the present occasion on behalf of my Committee with all the emphasis that I can command. To this, a reply was received to the effect that the Government had issued orders that licenses should be freely granted for the importation from foreign countries of all dye-stuffs required by Indian consumers when these could not be obtained from the United Kingdom or could not be obtained at a reasonable price. The Government further observed that Indian consumers would thus be enabled to satisfy their requirements fully and at reasonable prices, and

that the prohibition in question would not adversely affect Indian interests. While firmly adhering to my Committee's objection on principle to the measure and maintaining that it is not only indefensible and unwaranted in India's interests, but also incompatible with the oft-repeated assurances of the Government's zeal nnd good-will for the development of Indian industries ; my Committee would like to bring to your notice, facts and instances collected by them to show how licenses are not freely granted even for such dyes as cannot be obtained from the United Kingdom or cannot be obtained at a reasonable price. A member of this Chamber applied for license to import two kinds of Congo-Red ;—One " Brilliant Congo-red" which no manufacturer in the United Kingdom has offered till now, of the same shade, strength and brilliancy ; and another " Congo-red Bluish" which is manufactured in the United Kingdom. The rates quoted were much higher than those prevalent for the variety imported from the United States. In spite of this fact, the license required, was refused. It appears that the Collector of Bombay is unable to permit the importation of Congo-Red, of whatever shade and strength it may be, which is not, perhaps, what is contemplated by the Government. There are also instances of Congo-Red Yellowish tone, and Congo-Red Bluish tone, both of which dyes are at present said to be manufactured in the United Kingdom. The price of the latter variety, imported from the United States, is 45°/° lower than a similar variety from the United Kingdom ; yet licenses to import any quantity of these dyes from the United Kingdom have been refused. The Direct black is obtainable from the United States at Rs. 2-6-3 per pound, while the latest rate received from the United Kingdom, is Rs. 3-3-4 per pound, which shows a difference of 11°/° ; and yet licenses for this article are also not granted. No British manufacturer can offer Brilliant direct pink of the shade and brilliancy which

is obtainable from the Swiss manufacturers. A local merchant applied for permission to import one ton of this stuff ; but only 5 cwts were allowed. One cannot understand why the applicant was not permitted to import the quantity required by him, when the licensing authority thought it reasonable to grant a license for importation. Owing to these unfair restrictions and interferences with the natural course of trade, there is already a jump of 50 per cent in the price of the principal dyes as compared with the rates prevalent in last August. If there is no change made in the present procedure, it is very likely that the rates will go higher still. If the merchants are thus indirectly forced to import their requirements from the United Kingdom at higher rates, it must necessarily inflict an indirect blow and pecuniary loss to the local industries. While the direct effect of the present action of the Government, is practically to throw the local dye-merchants at the mercy of the British manufacturers and to subordinate the interest of Indian industries to the advantage of English dye manufacturers, the attitude of the latter is extremely significant. A member applied to the Collector of Bombay for permission to import from the United States, Methyl Violet Crystals, but the permission was refused. He then asked the British Dyes Limited to supply him with Methyl Violet 2B Crystal and the following is the reply he received from the Agents to the said firm:—"We regret, we cannot accept your order for Methyl Violet 2B Concentrated in crystal form and we cannot guarantee shipment and further we are not prepared to sell you methyl Violet 2B Concentrated, unless you take up other colours." These are only a few typical instances of the harsh manner in which the restrictions imposed by the Government, are operating and will continue to operate to the disadvantage both of Indian trade and industries.

These restrictions are for all practical purposes, in the nature of a subsidy for the British dye manufacturers. If these stand in need of any protection, my Committee submit, it would have been given as a subsidy directly and openly by the Imperial Government and not by the Government of India, creating almost a monopolistic market in India for the benefit of British dye manufacturer or trader. To thus penalise Indian industry and trade for the purpose of giving an indirect subsidy to the British Dye manufacturer or trader, is my Committee consider, opposed to all principles even of fair trade within the Empire. My Committee would like to know if restrictions of this character have also been imposed either in the United Kingdom or the self governing Colonies. I hope you will excuse my Committee for drawing the only inference possible that the restrictions are imposed to benefit at the expense of India the British dye manufacturers and traders who may, for aught we know even import dye-stuffs from foreign countries and ship them here. We were recently informed that the first consignment of dyes according to the reparation terms of the Peace Treaty, was coming shortly from Germany to the United Kingdom, and it is not at all unlikely that a portion of this will find its way to India through the British merchants at rates far higher than those for which they were obtained.

Imperial Preference :—My Committee would also like to draw your attention to the principle of Imperial preference thus introduced into this country, without an opportunity having been given, either to the representatives of the public or to the leading commercial institutions, to express their views on the matter. There is also the rebate of 10 per cent in connection with the export duty recently levied on raw hides and skins which my Committee cannot help regarding

as being in the nature of a preference granted to parts of the Empire at the expense of India. My Committee are aware of your speech in the Imperial Council on the subject, asking the country not to construe the duty and the rebate as a change of fiscal policy on the part of the Government of India.

It may not be a deliberate and direct acceptance of the policy of Imperial preference in so many words, but my Committee fear that the action on the part of the Government in effect amounts to Imperial preference and nothing less. The application of such far reaching principles as Imperial preference in this indirect manner, to a country of the magnitude of India, with its complexities of problems, without giving the people an opportunity of expressing their views on it, is what my Committee deplore. In this connection, my Committee would beg to urge that the Government of India will not commit themselves to any fiscal policy till the whole question is carefully sifted by the people and the many public bodies throughout the country. The Secretary of State in his reply to the despatch of the Government of India regarding the report of the Indian Industrial Commission hinted at the possibility of an early inquiry into the fiscal question. My Committee regret that, a question so important and so indissolubly connected with the Trade and Industries of this country, should have been deliberately omitted from the scope of the Industrial Commission. My Committee hope that it will atleast be taken up now and a representative Committee appointed to collect the views of the public there on. Fiscal freedom for India is what my Committee have always urged as the very backvbone of all commercial and industrial progress in this country. My Committee take this opportunity of drawing your attention once more to their emphatic opinion on the subject. If the Colonies can have full fiscal freedom and can adjust their

tariffs in their own interests, even against England, without sacrificing Imperial interests ; there is absolutely no reason why India cannot. I may be permitted to add that in the opinion of my Committee, it is impossible to make India industrially great unless full fiscal autonomy is given to her. It is a matter of great regret that this question has always been shelved by the authorities on one excuse or another. The shirking of this issue even in the Joint Committee's Report on Indian reforms, is regrettable in the extreme. Before I pass onfrom this subject, I beg to echo my Committee's most emphatic protest against the extension of the rebate of 10 per cent to British Colonies like South Africa and Natal which ill-treat our country-men in their territories. My Committee consider this concession as indefensible and inconsistent with India's dignity.

Civil Aviation.—With regard to Civil Aviation my Committee would like to recommend that a definite period should be fixed for the granting of the proposed subsidy and monopoly. The Government are no doubt aware how the original subsidies granted to the P. & O. Steam Navigation Company, were renewed from time to time and were the subject of a long and animated controversy in the House of Commons, and also how enlightened criticism was able to bring down subsidies. It is observed by the Government that the Company would have a free hand in fixing rates for the carriage of other goods and passengers in open competition with other Companies that might be established for such a traffic. What little chance such Companies would have of successfully competing with a concern in the enjoyment of a monopoly and subsidy from the Government, was conclusively shown by Mr. Rathbone who moved in the House of Commons on the 4th August 1874 that the Contract with the P. & O. Steam Navigation

Company, should not be confirmed that session. The opinion expressed on that occasion by Mr. Rathbone would apply to-day with even greater force to any contract the Government may think fit to make with any Civil Aviation concern, and my Committee trust that advantage will be taken of past experience at the time of entering into such a contract. My Committee hope that the subsidy will be accompanied by an injunction to fix fair and reasonable rates for the transport of passengers and goods, compatible with the development of aerial service in the near future. As far as goods are concerned, my Committee need not remind the Government of the burdensome rates on goods which the State-Railways, including the former guaranteed companies used to charge and against which numerous petitions were sent to the Government from time to time. Having regard to the solicitude of the Government for the industrial development of the country, it is essential that a transport company in agreement with the Government, should not be allowed to carry goods at a rate which would prove burdensome and be the subject of future agitation and controversy.

Incidentally, I may draw your attention to the recent proposal of the Railway Board, to enhance the rates of freight in certain cases, particularly in the case of coal from the Bengal Coal Fields. So far as coal is concerned, my Committee are of opinion that as an important and common raw material for almost every industry, its carriage for internal requirements should atleast not be made more expensive than it is at present. As regards Railway rates generally, my Committee think that no enhancement should at present be made till the whole question of the equity and incidence of the existing Railway rates, is gone into by an Expert Committee on which Indian commercial and industrial interests should be adequately represented.

I may just briefly draw your attention to the hardships which are at present being experienced by the Commercial and industrial community by the existing shortage of wagons; and trust that this very trying grievance will be removed and efficiency restored as soon as possible.

Currency Questions.—My Committee hope that the Report of the Currency Committee, sitting in London, will be published at an early date and will propose a satisfactory solution of the present currency and exchange difficulties; as, upon their right solution will depend to a large extent, the prosperity and progress of Indian trade and industries.

Before any step is finally taken on the report, my Committee trust that the opinions of public bodies will be invited and given due weight to.

Before concluding my remarks, I again thank you Sir, on behalf of my Committee for having so kindly taken the trouble of coming amongst us and giving us the benefit of your views on the various questions relating to your Department in which my Committee are interested.

SIR GEORGE BARNE'S REPLY.

Mr. President and Gentlemen,

First let me tell you how much I value these meetings, for they afford both to yourselves and to me the opportunity of discussing matters of interest and of clearing up any doubts and difficulties which may have arisen in the minds of the members of your Chamber.

Before we get to business, I should like to say how deeply grieved I am to hear of the great sorrow which has fallen upon our much respected, and I am sure that I may add much loved friend, Sir Dinshah Wachha. The hearts of all of us, I know, share his grief.

Imperial Preference.—Now I will try to deal with the various questions which your Chairman has raised in his speech. I will take first in order the big question of Imperial Preference. You will all of you have read the telegram from the Secretary of State dated 20th of this month, which contains a summary of the main recommendations in the Report of the Joint Select Committee on the Government of India Bill, which has now been presented to Parliament. If we assume that the recommendations of the Select Committee are likely to be accepted and that their report substantially foreshadows what will ultimately appear in the Act of Parliament, it appears that India will enjoy in the future something approaching to fiscal autonomy. Though, as the Report points out, fiscal autonomy cannot be guaranteed by statute without the unconstitutional result of limiting the ultimate control by Parliament or the Crown's power of veto, the Report goes on to say that it, that is to say, fiscal autonomy, "can only be assured by the acknowledgment of a convention that the Secretary of State should so far as possible abstain from intervention in fiscal matters when the Government of India and the Indian legislature agree, and should only intervene to safeguard the international obligations of the Empire or any fiscal arrangement within the Empire to which His Majesty's Government is a party." As I read these words, when the Government of India and the Indian legislature agree, they are practically to have a free hand so far as fiscal matters are concerned. If I am right in my interpretation, this is a very great step forward, and India will have a great measure of the freedom which she has so long desired. Before the arrival of this telegram, both the Secretary of State and the Government of India had come to the conclusion that by some means or other the views of the public must be obtained on the

general principles involved in the subject of Imperial Preference before any decision was arrived at. Commercial interests will of course be consulted, and we propose further to ventilate the questions by the appointment of a Committee of the Imperial Legislative Council at the next Delhi session. By means of a Committee of this kind, on which of course the unofficial members will be fully represented, we should hope to be able to thrash out the question and examine how far India's interests would be likely to be affected beneficially or otherwise, and ultimately to arrive at a decision on the question of general policy. Either my Colleague the Finance Member of the Viceroy's Council or I will move for the appointment of such a Committee at the next Delhi session. I feel sure that this method will commend itself to you, for it will ensure public discussion and thorough ventilation of the subject. You are all aware that the United Kingdom has already adopted a system of Imperial Preference, under which imports from the various parts of the Empire will be subject to lower rates of duty than imports coming from other parts of the world. India will of course benefit to some extent under this scheme, especially with regard to tea and tobacco. In my Department we have tried to examine how far India is likely to benefit financially or the reverse, by the adoption of any general scheme of Preference, and this examination will be brought up to date, before the Legislative Council meets, and will of course be laid before the proposed Committee of the Council.

If India ultimately became party to a general scheme of Imperial Preference, I imagine that whoever may then be in control of the finances of this country will be unwilling to lose revenue by the remission of any part of the existing duties and the scheme would thus take the form of a surtax levied on imports coming from outside the Empire.

The question, however, is a higher and a bigger one than an exact balance of benefits and the reverse. We are all proud to be members of a great Empire, and while we must never be unmindful of India's immediate interests, we ought at the same time to be careful to take the wide and statesmanlike view and consider India's position in the great sisterhood of nations, which is linked together in the British Empire.

Before I leave this subject, I think that I ought to refer to the recent imposition of an export duty on hides and skins with a rebate on hides and skins tanned within the Empire. This duty as you sir, have reminded us, was not proposed as part of any general scheme of Imperial Preference, but was proposed because we believed that this particular duty and rebate was necessary in the interests of India. The object was to ensure that our hides and skins should be converted into fully tanned leather or articles of leather so far as possible in India, and failing this in other parts of the Empire, instead of being exported in a raw state for manufacture in foreign countries. Our aim was to prevent a recurrence of the state of affairs at the beginning of the great war, when we found that we were unable to equip our army properly because the necessary tanneries for the leather required were in a great measure situated in Germany. We want to make sure that if large quantities of leather are again required, the tanneries for producing the leather shall be ready to hand within the Empire. No general scheme of Imperial Preference is involved in the imposition of this duty, a duty which I hope and believe will greatly encourage the tanning interest in India.

It has been suggested by your Chairman that we ought to have excluded the Union of South Africa from the benefit of

the rebate because of the recent Act which has been passed in that Dominion. This suggestion has been made I think without reference to the trade returns. South Africa has no tanneries and imports none of our hides or skins. Consequently, the exclusion of the Union from the benefit of the rebate would have been absolutely without effect. It would have been like pointing an empty pistol at somebody's head, a pistol moreover which the person assailed knew to be empty. Retaliation is always a bad weapon, and in this case could not have been effective to secure what we really want to secure, the better treatment of Indians in South Africa.

IMPORT OF DYES.

Your Chairman has raised the question of the import of dyes, and I am very glad to have the opportunity of saying a word on the subject. It is of course our duty to look at this question primarily from the point of view of Indian interests, and before all things we must secure the dyeing industry in India from any possibility of injury in consequence of the notification which has been issued. Indian dyers must be able to get the dyes they require and get them of the right quality and at the right price. With these ends in view, the Collectors of Customs at all the ports of India have been given instructions to issue licenses freely in all cases where the dyes required cannot be obtained from the United Kingdom. These instructions cover all cases where the colour required cannot be obtained, cases where the price is too high, and cases where the quality is said to be deficient. You tell me that the present system is not working satisfactorily, and tell me that you can give me specific cases where injury has occurred, or is likely to occur. I think that the best plan for dealing with these difficulties will be that two or three of you who are experts in dyes should sit down round a table with Mr. Eccles and myself and consider how your interests can

best be safeguarded. Our first object must be, and will be, to secure Indian interests and look at the matter through Indian eyes. You have asked me whether any of the Dominions have taken the same line. Australia has taken the same line, but I do not yet know what action Canada or South Africa have taken. I am entirely with you, Sir, when you say that it is Indian interests which we have got to consider. I must point out, however, that it is important in Indian interests that an alternative supply of dyes should be available. It is not to Indian interests that Indian dyers should rely as they did before the war, exclusively upon German monopoly, and thus run the risk of the supplies being cut off.

TARIFF VALUATIONS.

Another subject to which you have alluded is the existing arrangements for the annual discussion of the revision of tariff valuation. Under the present system enquiries for the fixing of the values are made beforehand by the appraisers who consult the importers dealing in the various commodities including of course those importers who are members of your own Chamber. After this enquiry a copy of the provisional rates proposed is sent to your Chamber and subsequently a joint conference is held by the Director-General of Commercial Intelligence to which representative members of your Chamber and the Bombay Chamber are alike invited. On the face of it, this seems to me an arrangement which ought to be satisfactory to all parties, but your Chamber has urged that the present practice should be changed and that either—

(1) The Director-General should meet the Committee of your Chamber separately for the discussion of the tariff valuation, or

(2) The Committee of the Chamber should be invited in a body to attend the Conference.

With regard to the first proposal, namely that for a separate meeting with the Director-General I must point out that what the Director-General wants is to get the best opinion of the whole commercial community in Bombay. He does not want the opinion of each Chamber separately, but the joint views of the two Chambers, for your interests in this matter are absolutely identical.

With regard to the second proposal that the whole of your Committee should be invited to attend the Conference in a body, I feel that it ought not to be difficult for a limited number of representatives to put forward the concentrated view of your Chamber and a like number from the Bombay Chamber ought to be able to voice the views of that body. It may be that from time to time the representatives of your Chamber may hold a view as to the value to be attached to some particular commodity which may differ from the view held by the representatives of the Bombay Chamber. Surely in such a case it is much better that the difference should be discussed and thrashed out by both parties in the presence of the Director-General. The alternative would be that he would have to try and make up his mind which party was right without the advantage of the joint discussion, and this alternative seems to me to be unsatisfactory from the point of view of everybody concerned. If your members all attended the Conference in a body, similar request would probably be made by other interested bodies and the size of the meeting eventually would render it difficult to control and transact business. While we want of course to avail ourselves to the full of the knowledge possessed by members of your Chamber, we do not wish to increase unnecessarily the difficulties of the task of the Director-General. The Government of Bombay have expressed the view to us that the present arrangements are satisfactory and

sufficient, and I must say that this is my opinion, and it was also the opinion of Sir Thomas Holland, who held my post during my short absence in the early part of this year.

CIVIL AVIATION.

You have referred, Sir, to the subject of civil aviation. I have no doubt that you have seen the letter that issued from my department to the various Chambers of Commerce in this country on the subject of the general lines of policy to be followed in developing civil aviation. We suggested that the best chance of developing aviation would be to grant a monopoly for a period of years to a Company to be formed in India for the carriage of mails by air, one of the conditions suggested being that the Company should be unconnected with or at any rate not under the control of, any single aircraft construction Company, the main reason for this being that the development of aviation is now so rapid and the types of machines are so quickly changing that it seems desirable not to tie ourselves down to any particular type of machine, which might become out of date and inferior to new types which might have come upon the market. It will very likely be found desirable to fix some date, a good period ahead, before which the proposals of any firm or Company interested in the question must be submitted. This will give time to the public to consider the Indian Aircraft Rules and to become familiar with the conditions of air traffic before any monopoly is granted. I do want it to be understood that the Government of India have not come to any final conclusion on the general lines of policy which I have described, for it is by no means certain that the policy though desirable is practically possible.

I hope that in a very short time we shall have issued the Aircraft Rules to which I have alluded, and be able to permit

private flying freely. But of course it will be realised that in the interests of public safety a considerable amount of control over machines and aerodromes will be found to be necessary. It will be a matter of great interest to you to know that we propose, in order to gain experience before the formation of any monopoly company, to institute an experimental service between Bombay and Karachi. This service will be run by members of the Royal Air Force, and I may tell you that the institution of this service is largely due to the energy and initiative of His Excellency Sir George Lloyd. We hope to learn from this experiment to what extent you gentlemen engaged in commerce and private persons are likely to make use of an air service for mails in India, and to what extent people are likely to prove willing to pay the postage surcharge which will be necessary. At the same time this tempory service will help to show exactly what the cost of a service of this kind is likely to be, and to enable us to form some kind of preliminary judgment as to the terms on which a contract might be entered into.

There are a few other matters to which you have referred in your speech. The Railway Board, as you say, have recently proposed to slightly increase the freight in certain cases, particularly in the case of coal from the Bengal coalfields. They have asked, I believe, for the opinion of your Chamber on this subject, and I am sure that anything that you may say will be considered with great care. I must, however ask you to remember that the cost of transportation in India has increased very greatly lately. The goods rates have not been increased for a very long time, and at present I believe I am right in saying they are among the lowest rates prevailing in all the world.

You have told me of the hardships which are at present being experienced by the commercial and industrial community

by the existing shortage of wagons. It has, I believe, been a cry in India for many years past that more wagons are wanted, but it is the opinion of many experts on this subject that we have enough wagons, if only the best use were made of them. However this may be, a very large number of new wagons have been ordered, and I may add that we shall place, if we can, orders for 3,000 wagons in India, which, I believe, is the maximum capacity of this country at present for manufacturing wagons. The position, I hope, also will be eased by the recent decision of the Railway Conference to establish a pool of wagons, that is to say all the wagons of India will be used indiscriminately by the various railways, and the railway which has most goods to carry will get for the time being a greater supply of wagons. In this way we hope a more efficient use will be made of the wagons which we possess.

Also, Sir, you referred to the present currency and exchange difficulties. I am told that it is hoped that the report of the Currency Committee sitting in London will be ready sometime next month, and I imagine that it will be immediately published by the Secretary of State. I realise, and I know that my Colleague the Finance Member realises, to the full how important it is to the prosperity and progress of Indian trade and industries that we should have a stable exchange.

COMPANY PROMOTING.

There is another subject on which I should like to say a word to you before I sit down. You are the recognised leaders in your own community of commercial and industrial enterprise in the City of Bombay, and I am glad to have this opportunity of expressing before so powerful and influential a body as your Chamber the grave concern with which I view the Wave of Company promoting which has been so evident

recently both in this City and in Calcutta, and the speculative fever which has in consequence spread through the country. I yield to none in my desire for the industrial development of India, but I feel that it is vitally necessary that the development should be based upon solid foundations, and that nothing will be likely to retard development of industries more than a crop of industrial failures at the outset. I want to beg you to use all your influence, and I know that your influence is great, in the direction of caution in the launching of industrial concerns on a large scale in this country before experiment has been made, and made successfully on a small scale.

The First Interview of the Hon'ble Mr. Hailey, The Finance Member of the Government of India on 31st March 1920, with the Committee of the Chamber.

SPEECH OF MR. J. B. PETIT, CHAIRMAN.

I thank you, Sir, on behalf of my Committee, for meeting us to-day and thus giving us an opportunity of discussing with you personally various matters of public importance, falling within the purview of your Department

This is the first occasion on which my Committee have the honour of welcoming you among them, since the assumption by you of the reins of your high office. The advantages accruing from such personal interviews on public questions and the friendly interchange of opinions that they promote, are so, beneficial, that I am certain you will share the views of my Committee that such official visits should be made more regular and frequent in the future than hitherto. The importance of a free and frank discussion at stated intervals on vital question relating to the many functions and activities of the Finance Department of the Government of India, cannot be exaggerated.

The matters that have engaged the most serious and careful attention of my Committee for some time past, are the Currency and Exchange policy of the Government of India since the declaration of the war, and the Report of the Committee appointed by the Secretary of State to inquire into Indian Exchange and Currency, together with the many important issues arising therefrom.

On these very important questions, my Committee hold emphatic and pronounced views which are all already before you in detail. They have been set out at very great length in the representation dated the 26th June 1919 submitted by my Committee; in the oral evidence of their witness Mr. M. Subedar dated the 20th September 1919 before the Currency Committee; in the representation of Committee dated the 27th February 1920 to your Department on the Report of the Currency Committee; and in the several telegrams and other communications that have been recently sent to you and your Department from time to time by me on behalf of my Committee on the action taken by the Government on various important Currency and Exchange matters, both before and after the publication of the Report; and I beg at the present moment to invite your most careful and earnest attention to the many important suggestions made therein. I would particularly like to draw your attention to the fact that in the opinion of my Committee, the time has now come when the Currency and Exchange policy of the Government of India should not be dictated from a distance of 6,000 miles; but should be left to the Government of India to be determined by them with the approval of the Indian Councils and in consultation with qualified Indian opinion. I also beg to reiterate the considered and deliberate opinion of my Committee, already expressed to you in my official communication, that in common with the

rest of the country, my Committee have received the report of the Currency Committee with deep and profound regret; and consider it exceedingly unsatisfactory from the Indian point of view. It is a matter of regret to them that the Currency Committee, owing to its exceedingly one sided and narrow composition and the influence of more potential interests nearer home, has totally neglected and altogether failed to appreciate the Indian standpoint, as is apparent from the fact that Mr. Dalal, the only Indian Member of the Committee, has had to differ entirely from his colleagues and to write a distinct minority report. My Committee had atleast expected that in a matter of this importance and magnitude, the Government would have to give the country a chance of expressing its views on the findings of the Committee before putting them into effect. They deplore the fact that the Government have not only not done so, but have also thought fit to proceed to give effect to some of the provisions of the majority report which in the opinion of my Committee, are calculated to cause harm to the country. One of the few points, perhaps the only one of importance, on which both the majority and minority reports are agreed, viz., the removal of the embargo on the import of gold into India, has inspite of the almost unanimous demand of the country in that behalf, not only not yet been put into effect by the Government for reasons best known to themselves; but an attempt is being made to perpetuate that restriction, as is evident from the Gold Import Bill recently introduced in the Imperial Council.

The policy of selling Reverse draftt-with all attendant evils, on the other hand, inspite of the equally unanimous demand of the country for its discontinuance has been introduced in the teeth of public opposition and is being persistently continued by the Government, even though in the opinion of my

Committee and others, the conditions under which even the Currency Committee. report recommended such a procedure have not arisen Whilst on the subject my Committee would be glad to know how and of what amount the *adhoc* securities contemplated by the Paper Currency Amendment Bill are to be created. As for example, if Reverse Bills of the value of £1 million are sold and realise Rs. 70 lacs do the Government intend to issue and add adhoc securities to the Revenue for 70 lacs as for the whole amount of 150 lacs for the original £1 million for which Reverse Bills are sold ?

It is not necessary at this time of the day, to go seriously into a discussion of the tremendous loss such a policy has already caused and is daily causing to the country. Commercial opinion, both European and Indian as far as I am able to see, is unanimous in condemning it as being detrimental to the commercial and industrial interests of this country. I assure you, Sir, that the many telegrams and letters that I have recently ventured to address to your Department, are only a feeble echo of the deep indignation and alarm which prevail throughout the country on this point. It is a matter of very extreme regret to my Committee that the views expressed by them on this matter have hitherto been totally ignored by the Government. It had always been the practice of the Government of India in the past to reply to the representations of this Chamber but my Committee regret to note that recently and all the time that you have been in charge the Government have only formally acknowledged their letters and telegrams without extending to them the courtsey of an explanation or even detailed reply. I cannot too strongly emphasise, Sir, the harm done to the interests of the Government and the Public in thus rejecting the co-operation and suggestions offered in all earnestness from time to time by my

Committee on behalf of this Chamber. I consider it my duty to point out and I do so with a full sense of my responsibility that the studied and continued silence of the Government on so important a matter, is liable to be considerably misunderstood ; at the same time, I feel bound to add, on behalf of my Committee that the line of reasoning adopted by the Government in the Councils and in their communiques in the press in defence of this step is not at all convincing. They are unable to understand why the policy of Reverse Councils should at all have been adopted by the Government, at a time when everything seemed to be in favour of India. They are equally unable to understand the argument of "potential loss," advanced by you in your speech in the Imperial Council, and are totally at a loss to comprehend why by this uncalled-for process the various Indian reserves in England should be poured out at such ruinous rates, thus resulting in a dead loss to the country. The entire manner in which these reverse Councils have been sold and allotted and the inexplicable partiality shown to European and even foreign Bankers and merchants, to the almost total exclusion of benafide Indian applicants, has also produced feelings of the profoundest regret and indignation throughout the country.

In fine my Committee feel that by this process, the Government have been selling gold to India at the highest possible rates by competitive tenders while they are selling gold in England through these Reverse Bills at the lowest possible and that too, fixed rates. If Reverse Bills are at all to continue to be sold My Committee think that the only right way to do so would be to sell those also by competition to the best bidders.

These facts are already within your knowledge, and I only refer to them now in the confident hope that these grievances

will be immediately redressed. They were recently focussed at a largely attended public meeting held in this city last week under the auspices of this Chamber. The resolutions unanimously passed thereat, faithfully reflect public opinion. They have been forwarded before now to the Government of India and the Secretary of State for India : and I beg once again to invite your most serious and urgent attention to them. Public feeling is already excited to the pitch of desperation ; and wise statesmanship demands that the entire question of the Currency and Exchange policy of the Government of India, should be reconsidered at an early date in the light of Indian opinion. It is the deliberate opinion of my Committee that it is as much in the interests of the Government themselves as of this country, that decisions on important financial matters should not be taken by the finance Committee of the India Council but should be settled in this country by the Government of India and the Indian commercial opinion. To secure this end, it would be necessary to radically change the entire constitution of the Finance Committee, and I hope that early steps will be taken by the Secretary of State to secure this end.

HON. MR. HAILEY'S REPLY.

The Hon'ble Mr. Hailey in his reply said that he would have liked to come over to Bombay earlier but that the Government had a busy season. Mr. Cook therefore came down in March while he himself deferred his visit in order to make the acquaintance of the Bombay commercial people at greater leisure.

He further said that the Secretary of State was representative for India in Parliament, and that he could not see now he could be expected to divest himself of all authority in regard to currency and exchange matters, which were gover-

ned by the same rules as other matters were. Affairs might assume a different, but not a radically different aspect under the Reformed Councils in so far as the views of the elected Imperial Council might carry greater weight. Early action was taken on the report of the Currency Committee without further reference to the public opinion as it was the impression of the Government of India that all commercial interests concerned wanted an early decision.

With regard to amount of *adhoc* securities under the Paper Currency Bill Government would eventually have to make the whole loss good; the natural process for this was by deflation *i.e.* withdrawal of notes. With regard to absence of any reply from the Government of India to the communications from the Committee, Mr. Hailey observed that no discourtesy was intended on their part. The Government had been in the middle of a busy season, the communications referred to matters then in discussion with the Secretary of State and all the representations of the Committee were sent on to the Secretary of State. This was also one of the reasons for the absence of a reply.

With regard to competitive tenders, it was true that advocates for that line of action appeared to be increasing rather than decreasing; but he thought that such a line of action would be a departure from the recommendations of the Currency Committee in that it gave no guarantee of any maintenance of exchange at any definite point in connection with gold. Regarding the Secretary of State's selling Councils he must have a certain latitude of action, a principle which was approved of by the Currency Committee to some extent. On the whole in Mr. Hailey's opinion the report of the Committee if carried out to the full, would be the nearest approach to an automatic exchange possible in the conditions of India.

The interference with regard to import of gold was merely temporary. If the export of silver were allowed as suggested metal reserves might be raided without their affecting world prices of silver.

As regards the proposed change of ratio, this would not be effected by executive action, but must come from a decision of the Imperial Council. The danger of inconvertibility had been spoken of as exaggerated, but it would, as far as could be seen, have been impossible to go on purchasing silver for melting rupees under the old ratio without incurring a serious loss. It had been suggested that the right course was merely to follow the ups and downs of silver, but if Government had done this, there would have been no stability of exchange. The degree of stability they had actually attained was far greater than if they followed the movement of silver.

The real question was whether Government were right in considering high exchange as being in the interests of consumers or whether the Committee were right in considering low exchange as being necessary in the interests of producers. Producers had not done so badly during the last few years. With regard to consumers however wages failed to catch up prices, and this had resulted in hardships to the urban population, great discomfort if not worse to people on fixed incomes and much industrial trouble. The condition of the country would be definitely worse with a growing era of high prices than if the producers were denied some of the profits they might make on their produce.

Mr. Madon said he would like to observe that the making of a change in our standard unit to remedy high prices was too drastic a remedy. High prices were not going to be permanent and again the great infliction on the masses

was the prices of foodstuffs and when he had a crop shortage of 30/35% as we had last year it was not possible to remedy it by exchange. The real remedy was to prevent exports of necessary foodstuffs until there were sufficient supplies for the wants of the country.

High prices were not with us alone. England, America and many other countries complained of it, and yet none had tried to remedy the evil of high prices by changing the standard unit. The English pound sterling was today worth about sh. 15/-and if it was enacted that the pound was to be equal to only sh. 15/-instead of sh. 20/-there would be the illusion of cheaper prices in England and the 9d. loaf would cost 6d and so on and yet England had not attempted to do it. When world prices declined and there was a general depression and perhaps a crisis, such depression and such crisis in India would be far more severe and far more accentuated than in other countries. Mr. Madon thought that the change of the standard unit was a very serious step. People talked of debasing. Debasing was really a wrong use of Country's currency in order to increase the resources of the Government, and Mr. Madon thought that the present change of the standard until was also debasing the currency, because Government was in the present case also making a wrong use of the country's currency to increase its resources.

Mr. Madon said in conclusion that there was no justification for the changes recommended by the Currency Committee as they were based on the present abnormal situation all the world over, and that we should wait till times are more normal before we took any such drastic measures.

Mr. Hailey in reply pointed out that Mr. Madon apparently thought high prices was the main reason for the change

recommended. This was not the case. The Committee had come to the conclusions that they did so on other grounds; but in the course of their inquiries they had to go into the problem of high prices and they thought that the changes recommended would be beneficial to India as affording some check in the growing enhancement of prices also; but that was not the principal consideration on which they based their recommendation. They had also to consider the question of maintaining convertibility, and in view of the price of silver they had made the recommendation they did to maintain convertibility. He further did not agree with Mr. Madon that the high prices of foodstuffs was the only thing the masses suffered from. There were articles of necessity besides foodstuffs of which it was essential to keep down the price.

He further wanted to point out that the Committee had themselves said in one of the recommendations that if world prices declined and if the cost of production in India failed to adjust itself with equal rapidity to the lower level of prices then it might be necessary to reconsider the problem.

Mr. Madon said if a new gold coin was issued at 10 rupees to the pound and was put into circulation, it would be impossible to go back as it was not easy to change the ratio of this gold coin to its subsidiary coins.

Mr. Madon further remarked that even on the question of convertibility the Currency Committee were not justified in basing their conclusions on data furnished by the present abnormal prices all the world over. Silver prices only reflected the high prices of other commodities as countries like China and India took payment in silver, and therefore, when world prices declined silver would decline also.

Mr. Hailey said Mr. Madon appeared to be more sanguine than he himself was as to the future prices of silver. The supply had seriously decreased and was entirely inadequate to the demand.

Mr. Madon pointed out that in the report submitted to the Secretary of State for India by Prof. Carpenter on the world's silver production they had come to the conclusion that silver production would a few years hence attain to the figure of pre-war years.

Mr. Hailey remarked here that that was true, but Prof. Carpenter did not look for very low prices for many years.

Mr. Madon replied that they were probably obsessed by the American Pittman Act but already there was a proposal in the American Senate to repeal that Act, and as soon as the Republicans came into power there, it was a certainty that it would be repealed. They had repealed their Bland and Shermann Acts and made India the dumping ground for silver and compelled the Indian Government 25 years ago to go over to the gold standard.

Mr. Madon thought the Pittman Act would be similarly repealed and that silver would go back to much lower rates and India would once more be made the dumping ground for the world silver, while what we wanted was gold. Mr. Madon further pointed out that when the silver went to lower levels as he feared it would our rupee which was worth 9 annas and yet circulated for 16 annas before the war, would be in an even worse position and will be worth only 5 annas against its value of 16 annas in the circulation which was certainly not a very desirable thing.

Continuing the discussion Mr. N. M. Mazumdar said that he would first of all deal with the constitutional difficulty raised

by Mr. Hailey that it was impossible to eliminate the Secretary of State's control over Indian Finance and Currency because of his responsibility to Parliament, and therefore to accept the Chairman's plea that in these affairs the Secretary of State should not dictate what the policy of the Government of India should or should not be. The Secretary of State was no doubt legally and technically responsible to Parliament for the conduct of all Indian affairs. But if he was to exercise to the full his powers of control over all Indian affairs because of that responsibility, the Government of India in this and in every other matter would be an impossible task for both Mr. Hailey and his colleagues and the people of this country. Though theoretically responsible to Parliament for the administration of the Department under his charge, in practice the Secretary of State must interfere as little as possible in the internal affairs of the country, as in the case of the colonies. The Government of India, Mr. Mazumdar contended, ought to have the right of determining what its own financial and currency policy should be, as it affected its own people. It was a question of trusting the judgment of the Government and the man on the spot, and not dictating to him from afar a course of action which the people most concerned, and on the spot, did not want.

Mr. Mazumdar then said that Mr. Hailey's plea that the report of the Currency Committee had to be acted upon at once was of little avail. It took the Secretary of State and the Government of India practically 22 years definitely to reject the findings of the Fowler Committee of 1898. The Chamberlain Commission reported six months before the war. And no action was taken on their recommendations. When the war broke out the Government said they had better wait till it was over. And when the present Currency Committee

reported they seized the recommendations of the Majority Report, and took immediate executive action on some of their most vital recommendations. It was a case of inordinate haste, in abnormal times, which was not justified.

Speaking on the restrictions on the import of gold, Mr. Mazumdar said that Mr. Hailey's plea in the Council that these could not be removed because of the existing premium on gold was untenable. If sufficient quantities are brought in the country even by Government, the premium could be made to disappear in a fortnight.

Turning to the crux of the whole situation as put by Mr. Hailey, he could not accept the suggestion that the Chamber thought more of the interests of the producer, and Government than of the consumer. Mr. Mazumdar submitted that these were really identical. Was not the producer also the consumer? Could the producer simply produce, and the consumer simply consume? And were not the large masses of this country producers and consumers both? If so, where was the conflict of interests suggested by Mr. Hailey? Mr. Hailey had suggested that the producer had done rather well in recent times. Mr. Mazumdar assumed that therefore he was to be taxed further. But if Mr. Hailey's defence was that the producer alone should be taxed it followed, he being also the consumer, that the consumer would also be taxed, which Mr. Hailey apparently wanted to avoid. The result was it all meant additional taxation imposed on the people all round without any justification.

Mr. Hailey in reply said that it was not possible to increase their gold sales beyond the present limit, because the capacity of the Bombay mint was limited and already strained, and the bulk of the accepted tenders were from Bombay, necessitating delivery from the Mint here.

Second interview of the Hon'ble Mr. Hailey, the Finance Member, Government of India, with the Committee of the Chamber.

A meeting of the Committee of the Indian Merchants' Chamber and Bureau was held on Monday the 12th July at 2 p. m. (S. T.) to discuss with the Hon'ble Mr. Hailey, Finance member of the Government of India, various financial and other questions relating to his Department, Mr. J. B. Petit, the President of the Chamber, was on the Chair and the following members were also present.

1. Mr. S. E. Warden.
2. Prof. Tannan.
3. Mr. L. D. L. Buckley.
4. Hon'ble Mr. C. V. Mehta.
5. Mr. G. B. Trivedi.
6. Mr. B. F. Madon.
7. Hon'ble Mr. Manmohandas Ramji.
8. Mr. Surajmal Lallubhai.
9. Mr. S. N. Pochkhanawala.
10. Mr. Mavji Govindji.
11. Mr. M. A. Master.
12. Mr. Vallabhdas Chaturbhuj Shivji.
13. Mr. Vithaldas Damodar Govindji.
14. Mr. P. J. Billimoria.
15. Hon'ble Mr. Purshottamdas Thakoredas.
16. Hon'ble Mr. Lallubhai Samaldas.
17. Mr. Gulabchand Devchand.
18. Mr. Hansaraj Pragji Thackersey.
19. Mr. Motilal Kanji.
20. Mr. Kikabhai Premchand.
21. Mr. Mathuradas Kanji Matani.

Mr. Gubbay Secretary to the Finance Department of the Government of India, and Mr. Denning, Deputy Controller of Currency, Bombay were also present.

The Chairman, after welcoming the Hon'ble Mr. Hailey, opened the discussion by saying that the Committee of the Chamber still adhered to its former opinion on the policy of selling Reverse Councils and added that these sales having failed to achieve the object the Government had in view, should be discontinued.

Mr. Hailey pointed to the communique issued on 26th June and said that Government adhered to this policy viz, the sale of Reverse Councils so long as the Exchange continued to remain below 2 shillings.

Mr. Petit pointed out that the rate of Exchange had taken and was taking its own course and had upto now in the opinion of his Committee shown no signs whatever of being influenced by the sale of Reverse Councils or by any other action hitherto taken by the Government. His Committee were strongly of opinion that the rate of exchange should not be influenced by forced and artificial measures as Government was trying to do but should be allowed to adjust itself in obedience to the natural course and its legitimate requirements. Without prejudice to his Committee's opposition on principle to "Reverse Councils", he would also say that the present method of selling these Reverse Councils was most unsatisfactory. The benefit of the sales went to the wrong people, mostly profiteers and big speculators to the utter exclusion of the bona-fide remitter and certainly of the small remitter.

Mr. Hailey.—You say it goes to the wrong people?

Mr. Petit.—Yes, it does. The last two lists that have been published make it amply clear. They put the money of the State into the pockets of a few rich speculators who can command large credits to give cheques for lacs as deposits which have to accompany applications. There is absolutely no excuse for selling these "reverses" at rates much higher than the current market rates. In some cases, these rates have been as much as 3,4 and even 8d per Rupee higher than the prevalent rates. These unwarranted differences have increased the margin of profits and attracted hoards of speculators to buy "Reverse Councils." I know of instances in which speculators have made and are making lacs at the expense of the State by applying for and getting Reverses, and selling them off in the open market, quietly pocketing the fat differences week by week. I submit there is absolutely no excuse for thus fritting away the resources of the State. To prevent this drawing on the Treasury, if Reverse Councils are at all to be sold, they should be sold by competitive tenders to the highest bidder.

Mr. Hailey—By so doing you would affect the price but you would not necessarily eliminate the wrong men.

The Hon'ble Mr. Purshottamdas Thakoredas said that under the present system big men alone ruled the field. He further said that the minimum should be reduced.

Mr. Hailey referred this point to Mr. Denning, who said that the question of reducing the minimum might be considered. The Hon'ble Mr. Purshottamdas Thakoredas further asked Mr. Hailey whether the present fifty per cent deposit was to be increased to 100 per cent. Mr. Hailey replied in the negative, pointing out that 50% was the figure suggested by the Merchants' Chamber and Bureau.

Mr. J. B. Petit.—Applications for Reverse Councils to the extent of £ 1000 should have preference and should be granted in full. I mean that they must get £. 1000/- minimum allotment

Mr. Hailey.—I agree that the question of reducing the minimum may be considered; but we could only undertake distribution on the system suggested if we made an unlimited allotment; obviously every one would apply for as much as they wanted but would do so by splitting up their demands over a number of names. He repeated that the policy of Government was to continue selling at the fixed minimum rates and not at competitive rates, which would not necessarily afford a support to the market tending to support the exchange at 2 shillings.

Mr. Petit.—Then I am afraid that these speculators will continue to rule the field. The fixing of the minimum will make their operations difficult and varied but not impossible.

The Hon'ble Mr. C. V. Mehta observed that public bodies' interests should also be looked to, while considering the claims of petty applicants for Reverse Councils. He suggested that the advisability of giving preference over others to the applications for Reverse Councils from public bodies such as the Improvement trusts, Port trusts, The Municipality etc., may be considered.

The Hon'ble Mr. Lallubhai Samaldas supported him by saying that the claims of public bodies were more likely to be bonafide than speculative.

Mr. Petit observed that the Hon'ble Mr. C. V. Mehta and the Hon'ble Mr. Lallubhai Samaldas were only expressing their own individual views. He added that the matter would be considered by the Committee. Mr. Petit said that he

could not help repeating that perhaps the most unsatisfactory and deplorable feature of the whole business was the very large difference between the market rates and the Government rates for Reverse Councils to which he had already referred which not only led to so much speculation and demoralization in the market, but also practically meant the throwing away at rates varying from 2s. 3d. to 2s. 9d. per Rupee, our Gold Reserves (in England) which had been built up at the rate of 1s 4d to the Rupee; *i. e.* at a dead loss of 50 °/₀ of the value.

Mr. Hailey remarked that there could be no possibility of selling at rate based on the market rate; there was no definite market rate in India on which sales could be fixed, and the only consistent and systematic solution appeared to be to sell at the fixed price of 1s. $11\frac{19}{32}$d.

Mr. Petit stated the answer would not satisfy his Committee. Continuing he said that under the present system of selling Reverse Councils a very big amount was locked up week by week by way of deposits, which amounted to several crores and which therefore necessarily remained out of active circulation thereby adding to the stringency of the money market. He advocated a radical change in the system of allotting Reverse Bills and asked if lists of all the allottees of Reverse Councils from the very beginning upto date would be published.

Mr. Hailey.–Yes. We are prepared to publish them if you desire them.

Mr. Petit.–Yes, thank you, we want them; they would be of very great use. Mr. Petit continuing said that the Committee of the Chamber entirely disapproved of the telegram sent by the Karachi Chamber of Commerce that the sales of Reverse Councils should be increased, that Government should support 2 shilling sterling per rupee with all the resources

at their command and that Government gold should be shipped at once to meet Reverse Council drafts.

Mr. Hailey.–Your protest against that suggestion has been noted by us.

Mr. Petit.–I thank you for making a note of it.

Mr. Petit then asked the following question; " Will the Government sale of Council Bills in London be based on 2 shilling Gold or sterling and if the latter be the case, at what rate will the same be offered when a demand rises for Council Bills?"

Mr. Hailey in reply made the following statement.–"The opportunity of working directly towards a 2 shilling gold parity will recur with any renewed demand for Councils. On such renewal, the Secretary of State proposes to be guided by his convenience in the matter and it will not be incumbent on him to sell Councils for the convenience of trade. This, as regards amounts and times of sales of Council Bills is in accordance with the Currency Committee's definite recommendations. As regards rates, the Committee, contemplating presumably that by the time demand for the Council Bills revived, the 2 shilling Gold parity would have been established recommended their fixation on the basis of the sterling cost of shipping gold to India. If the demand for Councils occurred before the 2 shilling gold parity had been established, the Secretary of State in considering at what rates Councils should be sold, would again have to be guided by his own conveniences and also by regard for the ultimate objective of his currency policy *i. e.* the establishment and maintenance of 2 shilling gold rate."

Mr. Petit further asked if the Government of India was contemplating in the near future the purchase and import into India of silver on a large scale for coinage purposes ?

Mr. Hailey.—There is no immediate necessity for buying silver. We now hold very large reserves of coined rupees and they are returning to us daily. We must naturally retain a free hand to purchase when occasion requires it; it does not seem to do so now.

Mr. Madon asked if it would not be wise for the Government to lay in supplies of silver so as to increase the metallic backing.

The Government had always emphasized the need of maintaining convertibility at all costs and this convertibility was in great danger some time ago owing to the difficulty of getting supplies of silver. Now that silver could be had in plenty and at rates which enabled Government coin rupees without loss even on the basis of fifteen to the sovereign, Covernment ought to buy silver and so strengthen the backing to our note issue.

Mr. Hailey.—We should be greatly interested to know what you think to be the proper ratio !

Ma. Madon said the pre-war position was 20 crores of security backing and the rest metallic backing. The total note issue was then only about 75 crores. It is now 165 crores and the metallic backing should be proportionately greater but he did not insist on such a high proportion and would be satisfied with lower ratio. He further suggested that this was the right time to buy silver, when other buyers were out of the market. Mr. Hailey said that the whole question turned upon the question, what was the proper backing; if we had now sufficient, it would be wasteful to go into the market to increase it.

Mr. Madon again insisted on the Government buying silver, at this opportunity.

Mr. Hailey asked "Do you suggest 50 °/₀ of metallic backing irrespective of gold ?"

Mr. Madon.–Yes, At least 50°/₀.

Mr. Hailey remarked that in addition to about 42 crores of silver, they had about 44 crores of gold in the Currency Reserve. Mr. Madon said that he knew there was; but such gold was under present conditions useless for purposes of convertibility as it could not be paid out against notes presented for encashment. Mr. Hailey wanted to know what Mr. Madon thought should be done with the gold and the latter replied that could be sold as a commodity.

Mr. Madon continuing the discussion said that it had been remarked by many critics that the purchases of the Secretary of State were always made when the silver market was high. Every time Government bought only when the demand for rupees grew strong *i. e.* when exports were heavy and speculators saw it in advance and Government was driven into a corner and had to buy silver very dear.

Mr. Hailey.–I know that this was suggested before the Currency Committee. But are there any proofs that it is true ? The Committee did not accept this; and the Chamberlain Committee also found no support for it.

Mr. Madon.–I cannot say that; but at least it has been so alleged by witnesses before the Currency Commission and as Government only come out to buy silver when there is a strong demand for exports and consequently for rupees the result is to lend strong colour to the allegations.

Mr. Petit then asked the following question.–Will the Government of India consider the advisability of reconsidering the Currency Committee's Report at an early date in view of the opinion of the Currency Committee themselves that " if

contrary to expectation, a great and rapid fall in world prices were to take place and if the costs of production in India failed to adjust themselves with equal rapidity to the lower level of prices, then it might be necessary to consider the problem afresh." And if so when ?

Mr. Hailey said that the circumstances for doing so have not arisen. The definite conditions now prevailing are certainly not those referred to in Mr. Petit's quotation from the Report. Moreover, present conditions of trade are entirely abnormal and any decision come to will be of little value when things have again come to a normal level.

Mr. Petit said that such a position was bound to come in the not very distant future as the sudden and heavy drop in silver and the downward tendency of the Indian Cotton market clearly indicated. He added that in the opinion of his Committee it was advisable and necessary to appoint as soon as possible a Committee on which Indian interests should be adequately represented, with instructions to hold some of its sittings in India and take evidence in this country, in order that the whole question might be reconsidered from the Indian point of view which had been totally ignored by the present report. He suggested that meanwhile Government should not be in a hurry to put into effect the recommendations of the Currency Committee. The Government was unable to make the Exchange go as it wished. Such had been their experience for the last several months. Then why not let it take its normal course, at any rate, till another Committee considered and reported upon the whole question in view of the altered situation.

Mr. Madon asked why Government bought silver in the London market and not in the open market ?

Mr. Hailey said that there were no restrictions on purchase in India if such buying could be done at an advantage; there

were cases in which it had been done. We purchased all over the world, though we made our purchases just as the Exchange Banks and others did, through London.

Mr. Madon remarked that tenders should be invited in Bombay for the purchase of silver.

Mr. Hailey asked if that was the cheapest way to effect purchases?

Mr. Madon said that he thought it was.

Mr. Hailey remarked that he doubted this; he doubted if any merchant would ever think of buying his stock in that way. He would advertise his requirements, and send the market price up.

The Chairman then asked if any of the members present wished to address the meeting.

Mr. Surajmal Lallubhai then said that the difference between the market rate and the Government rate was gradually becoming narrower and narrower and it was quite possible that the speculator would soon be quite out of the field.

Under the circumstances he submitted that many merchants who uptill now had not been allotted even a pound worth of Reverse Councils should be more favourably treated, by the Government accepting the suggestion just made that the minimum be reduced to £ 1000, and that all applications upto that amount be accepted in full.

Mr. Petit again thanked Mr. Hailey for his visit.

Mr. Hailey in reply remarked that though it was not always possible to arrive at an agreement, there was no doubt about the value of such discussion.

This terminated the proceedings, (Duration of the meeting one hour.)

Bombay 22nd 1920.

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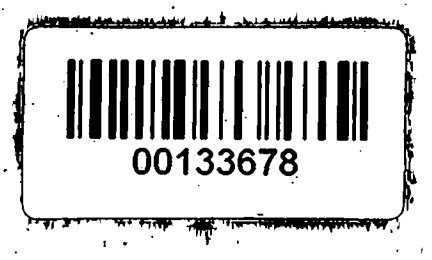
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